"Ukraine: The Borderland (1991-2024) - Elite Capture, Energy Politics, and the War for Assets

Preface: Expanded Core Framework Series

This is a new series using an **Expanded Core Framework** that evolved from the original **Core Framework** .

This expanded analysis was created through continued collaboration between Thomas J. Bryan and Claude (Anthropic's AI system). The collaboration improved both the methodology and the conclusions.

Human Contribution (Thomas J. Bryan):

- Research direction and case study selection
- Theoretical framework and interpretation
- Final analytical judgments and publication decisions

AI Contribution (Claude/Anthropic):

- Historical scholarship synthesis and bibliographic research
- Essay composition and structural analysis
- Intellectual challenge and critical questioning
- Pattern identification and comparative analysis

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Original preface ("An Unexpected Journey") published separately provides full context for how this research project developed.

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Ukraine Study: The Borderland (1991–2024) — Part 1 of 4

From Soviet Industrial Giant to Contested Extraction Zone: Elite Capture, Energy Politics, and the War for Assets

Expanded Core Framework Series
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INTRODUCTION: THE BORDERLAND AS EXTRACTION ZONE

Ukraine—the name itself means "borderland"—has been contested territory for centuries. Lying between the Russian, Polish, Ottoman, and Habsburg empires, the lands that became Ukraine were repeatedly partitioned, absorbed, and fought over by competing powers. This study examines how that historical pattern of external extraction continued after 1991, when Ukraine emerged from the Soviet collapse as an independent state with extraordinary assets and no established elite capable of defending them.

The assets were immense. Ukraine inherited approximately 35% of Soviet industrial capacity outside Russia: the steel mills of Donetsk, the chemical plants of Dnipropetrovsk, the shipyards of Mykolaiv, the aerospace industry of Kharkiv. It inherited the pipeline network carrying 80% of Russian gas exports to Europe—a chokepoint generating billions in transit fees. And it inherited approximately 32 million hectares of agricultural land, including perhaps 25% of the world's black chernozem soil, the most fertile on Earth.

The extraction mechanisms that captured these assets operated in three phases, each controlled by different elite networks:

Phase One (1991-2013): Oligarchic Capture. A small group of insiders—perhaps two dozen individuals—acquired the Soviet industrial legacy through rigged privatization, then maintained their position by balancing between Russian and Western patrons. This domestic oligarchy extracted rent from Ukraine's position between empires, arbitraging Russian gas against European markets while avoiding definitive alignment with either sphere.

Phase Two (2014-2022): Competitive Extraction. The Maidan revolution and subsequent Russian intervention shattered the oligarchic equilibrium. Crimea and portions of the Donbas

were physically seized by Russia; the remainder of Ukraine was progressively integrated into Western financial structures through IMF conditionality. The oligarchs found themselves squeezed between two extraction systems, neither willing to tolerate the gray-zone intermediaries who had profited from ambiguity.

Phase Three (2022-Present): Total War. Russia's full-scale invasion represents the violent culmination of competitive extraction—a hostile takeover bid launched when political capture proved insufficient. The war's geography follows asset distribution: the ports controlling Donbas exports, the nuclear plant powering southern Ukraine, the grain belt feeding global markets. Meanwhile, Western reconstruction frameworks position foreign capital to acquire whatever Russia does not seize.

This study applies the eight-part framework to examine how elite capture operated across these phases—how the Soviet industrial legacy was privatized, how gas rent cemented elite cooperation, how the 2014 crisis shattered that cooperation, and how the current war represents competing extraction projects fought over Ukrainian lives and Ukrainian soil.

Ukraine's Distinctive Features

The Ukrainian case differs from other studies in this framework in important ways:

The Soviet Industrial Legacy. Unlike colonial territories that were developed for extraction, Ukraine was industrialized as an integral component of the Soviet economy. The Donbas was the Soviet Union's primary steel-producing region; Dnipropetrovsk was its rocket-building center; Kharkiv manufactured tanks and tractors. This industrial base was created through massive state investment—and massive human cost, including the Holodomor famine that killed millions—but it existed as productive capacity when independence came. The question was who would capture it.

The Pipeline Geography. Ukraine's position astride the gas pipeline network connecting Russian production to European consumption created a unique extraction opportunity. Unlike colonial commodities that flowed one direction (from colony to metropole), gas transit fees flowed to whoever controlled the chokepoint. This geography made Ukraine valuable to both Russia (which needed transit) and Europe (which needed gas), enabling the balancing strategy that sustained oligarchic autonomy—until it didn't.

The Competing Integration Projects. Ukraine faced not one but two integration projects offering incompatible terms. The European Union offered trade access, legal integration, and eventual membership in Western institutions—but required structural adjustment, market opening, and "anti-corruption" reforms that would disadvantage domestic elites. Russia offered subsidized energy, protected markets, and elite preservation—but required subordination to Moscow's geopolitical agenda. This binary choice, forced in 2013, precipitated the crisis that continues today.

Active Warfare. Unlike other cases in this framework where extraction occurred through legal and economic mechanisms, Ukraine's extraction has involved sustained military conflict since 2014 and full-scale war since 2022. The war is not incidental to extraction—it is extraction by other means, physically seizing assets that political mechanisms could not deliver.

Framework Application

This study applies the eight-part analytical framework across Ukraine's post-Soviet transformation:

Section I: Foundation Conditions examines the Soviet industrial legacy, the pipeline geography, and the chaotic privatization that created the oligarchic class.

Section II: Narrative Construction analyzes competing identity narratives—Ukrainian nationalism, European integration, Slavic brotherhood—and how elites deployed these narratives to legitimize extraction.

Section III: Legal and Institutional Frameworks documents the privatization mechanisms, gas intermediary structures, and the IMF conditionality that shaped who could extract what.

Section IV: Wealth Extraction Mechanisms traces how value flowed from Ukrainian industry, agriculture, and transit to oligarchs, Russian state enterprises, and Western financial institutions.

Section V: Information Control examines oligarchic media ownership, Russian information warfare, and Western "anti-corruption" discourse.

Section VI: Resistance Suppression documents how challenges to extraction were defeated—from the Orange Revolution's unfulfilled promise to the Maidan's elite capture to martial law's consolidation.

Section VII: Elite Network Coordination maps the interlocking relationships among Ukrainian oligarchs, Russian state capitalism, and Western financial institutions.

Section VIII: Long-Term Consequences traces how the current war and reconstruction frameworks determine who will own post-war Ukraine.

The Stakes

The Ukrainian case is not historical—it is ongoing. The extraction mechanisms examined here are operating now, as this study is written. The war's outcome will determine whether Ukraine's extraordinary assets—its industrial base, its agricultural land, its strategic position—are captured by Russian state capitalism, Western financial institutions, or some configuration yet to emerge.

Understanding the mechanisms is prerequisite to imagining alternatives. The Ukrainian people—who have demonstrated extraordinary courage defending their country—deserve more

than a choice between extraction regimes. But achieving that alternative requires understanding what they are fighting against, and what they are fighting for.

I. FOUNDATION CONDITIONS: THE SOVIET LEGACY AND ITS CAPTURE

A. The Industrial Inheritance

Ukraine emerged from the Soviet collapse as an industrial giant—the third-largest nuclear arsenal in the world, a defense industry that had supplied the Soviet military, and heavy industrial capacity rivaling medium-sized European powers. This inheritance was both asset and curse: asset because it represented productive capacity; curse because it attracted predators.

The Donbas Industrial Complex. The Donets Basin—the Donbas—was the Soviet Union's Pittsburgh, its Ruhr Valley. Coal mining had begun there in the 1870s under the Russian Empire; Soviet industrialization transformed the region into an integrated steel-producing complex. By 1991, the Donbas produced approximately 50% of Ukrainian coal, 40% of Ukrainian steel, and significant portions of chemical and machine-building output.

The Donbas was not merely industrial—it was strategically positioned. Its steel went to Soviet tank factories; its chemicals supplied Soviet agriculture; its coal powered Soviet industry. The region's infrastructure—railways, ports, power plants—was designed for Soviet integration, not Ukrainian independence. When the Soviet Union collapsed, the Donbas found itself suddenly peripheral, its products needing markets its infrastructure was not designed to reach.

The Dnipropetrovsk Rocket Complex. The Dnipropetrovsk region (now Dnipro) housed the Soviet Union's primary missile and space launch vehicle manufacturing. The Pivdenmash plant (Southern Machine-Building Plant, known as Yuzhmash in Russian) produced the SS-18 "Satan" intercontinental ballistic missiles—the most powerful nuclear delivery systems ever built. The associated Pivdenne design bureau developed launch vehicles for the Soviet space program.

This capacity represented both extraordinary value and extraordinary sensitivity. The missiles were nuclear weapons delivery systems; the manufacturing knowledge was proliferation-sensitive; and the customer base (the Soviet military) had ceased to exist. Ukraine inherited the manufacturing capability without inheriting the market—or the nuclear warheads the missiles had carried.

The Kharkiv Tank Complex. The Malyshev Factory in Kharkiv had produced Soviet tanks since World War II—the T-34, the T-64, the T-80. The factory and its associated design bureaus constituted a complete tank-manufacturing ecosystem: design capability, production facilities, and the skilled workforce that made them function.

Like the Dnipropetrovsk missiles, the Kharkiv tanks faced a market crisis. The Soviet military was gone; the Russian military was a competitor, not a customer; and global tank markets were saturated with surplus Soviet equipment. The industrial capacity existed, but the business model had collapsed.

The Agricultural Base. Beyond industry, Ukraine inherited approximately 32 million hectares of agricultural land—roughly 70% of its total territory. This included perhaps 25% of the world's chernozem ("black earth")—deep, fertile topsoil accumulated over millennia that made Ukrainian lands among the most productive on Earth.

Soviet collectivization had organized this land into massive state and collective farms—structures that would be dismantled after independence but whose scale would shape subsequent consolidation. The agricultural potential was enormous; the question was who would capture it.

B. The Pipeline Geography

Ukraine's most immediately valuable asset was not its industry but its geography. The Soviet-era pipeline network carrying Russian natural gas to European markets passed through Ukrainian territory—and Ukraine controlled the transit.

The Transit Monopoly. The Urengoy–Pomary–Uzhgorod pipeline and associated infrastructure carried approximately 80% of Russian gas exports to Europe. This was not merely significant—it was essential. European economies depended on Russian gas; Russian state revenues depended on European payments; and Ukraine sat between them.

The transit infrastructure included:

- Approximately 37,000 kilometers of gas pipelines
- 73 compressor stations maintaining pressure across the system
- 13 underground gas storage facilities with 32 billion cubic meters capacity
- Entry and exit points connecting to Russian supply and European distribution

This infrastructure made Ukraine indispensable to the European gas trade. Gas could not reach European markets without Ukrainian cooperation; Ukrainian cooperation required compensation. The transit fees—and the opportunities for rent extraction they created—would prove central to post-Soviet Ukrainian politics.

The Transit Arithmetic. Transit fees directly generated perhaps $2-3 billion annually—significant but not transformative. The real value lay in the arbitrage opportunities the transit created. Ukraine received Russian gas at below-market prices (the "friendship price" that Russia extended to favored states); this gas could be consumed domestically, resold, or used as feedstock for chemical production. The differential between Russian supply prices and European market prices created profit opportunities that enriched those who controlled the gas trade.

The Intermediary Opportunity. The complexity of Soviet-era gas contracts, the opacity of pricing arrangements, and the involvement of multiple state and private actors created opportunities for intermediary companies to insert themselves into the value chain. These intermediaries—with names like Itera, EuralTransGas, and RosUkrEnergo—would become vehicles for elite extraction, channeling billions to connected insiders while nominally facilitating gas commerce.

C. The Privatization Catastrophe

The transfer of Soviet state assets to private ownership was post-Soviet Ukraine's defining economic event. Privatization was supposed to create a market economy with dispersed ownership and competitive markets. Instead, it created an oligarchy—a small group of connected insiders who captured the commanding heights of the economy through mechanisms that combined legal form with substantive theft.

The Mechanisms of Capture. Ukrainian privatization employed several mechanisms, each generating opportunities for insider capture:

Voucher Privatization. Following the Russian model, Ukraine distributed privatization vouchers to citizens—certificates entitling holders to shares in privatized enterprises. In theory, this would create mass share ownership. In practice, vouchers were concentrated through purchase from impoverished citizens who preferred immediate cash to uncertain future dividends. Those with capital—often capital from early market activities of questionable legality—accumulated vouchers and thereby shares.

Managerial Buyouts. Enterprise managers often organized purchases of "their" enterprises, using enterprise resources (cash flows, credit lines, assets) to finance acquisitions. The manager who controlled the enterprise also controlled the privatization process; conflicts of interest were built into the mechanism.

Rigged Auctions. Privatization auctions were frequently manipulated—competitors excluded through procedural maneuvers, auction terms designed to favor predetermined winners, and prices set below market value. The most valuable assets went to those with political connections, not those with the highest valuations.

Loans-for-Shares. Following the notorious Russian model (though Ukraine's version was less systematic), oligarchs "lent" money to the cash-strapped government, taking enterprise shares as collateral. When the government inevitably defaulted, the oligarch kept the shares—acquiring major industrial assets for fractions of their value.

The Oligarchic Outcome. By the late 1990s, privatization had created a concentrated ownership structure. Perhaps two dozen individuals—the oligarchs—controlled the major industrial assets, media outlets, and financial institutions. These oligarchs were not entrepreneurs who had built enterprises; they were insiders who had captured state assets through political connections and procedural manipulation.

The major oligarchic groups included:

The Donetsk Clan. Rinat Akhmetov emerged as the dominant figure in Donetsk-based heavy industry. His System Capital Management (SCM) controlled steel mills, coal mines, power plants, and ports. Akhmetov's fortune—estimated at over $15 billion at its peak—derived from Donbas industrial assets acquired during the 1990s.

The Dnipropetrovsk Groups. Viktor Pinchuk (son-in-law of President Kuchma) controlled Interpipe, producing steel pipes, railway wheels, and industrial equipment. Ihor Kolomoisky and Gennadiy Boholyubov controlled Privat Group, spanning banking (PrivatBank), oil and gas, ferroalloys, and airlines.

The Gas Traders. Dmytro Firtash emerged as a central figure in the gas trade, his RosUkrEnergo serving as intermediary in Russian gas sales to Ukraine. Firtash's position—reportedly facilitated by Russian organized crime figure Semion Mogilevich—enabled billions in rent extraction from the gas transit system.

The Kyiv-Based Groups. Petro Poroshenko built an empire spanning confectionery (Roshen), media, and shipbuilding. Viktor Medvedchuk, closely connected to Vladimir Putin, controlled media assets and served as intermediary between Moscow and Kyiv.

The Political-Economic Symbiosis. The oligarchs and the state existed in symbiosis. Oligarchs needed political protection for their assets and political access for favorable regulation; politicians needed oligarchic funding for campaigns and oligarchic media for public relations. This symbiosis created a political economy in which formal democratic institutions existed but substantive power resided in networks connecting wealth and office.

Presidents from Kravchuk through Kuchma through Yanukovych maintained these relationships, balancing among oligarchic factions while extracting their own share. The presidency became a brokerage institution—mediating among oligarchs while ensuring that the president's circle received appropriate compensation.

II. NARRATIVE CONSTRUCTION: COMPETING VISIONS OF UKRAINE

A. The National Question

Ukraine's identity was contested from independence. Was Ukraine a nation with a distinct history and culture deserving sovereignty? Was it part of a broader East Slavic civilization centered on Russia? Was it a European nation temporarily separated from its natural community? These questions were not academic—they determined Ukraine's geopolitical orientation and thereby which extraction system would predominate.

The Ukrainian National Narrative. Ukrainian nationalists articulated a historical narrative emphasizing Ukraine's distinct identity, cultural continuity from medieval Kyivan Rus', and centuries of oppression by Russian imperialism. This narrative emphasized:

- The Cossack Hetmanate of the 17th-18th centuries as a proto-national state
- The Holodomor (1932-33 famine) as deliberate genocide targeting Ukrainian national identity
- Soviet suppression of Ukrainian language and culture
- The 1991 independence vote (92% approval) as democratic legitimation of sovereignty

The national narrative implied Western orientation. Ukraine was European, not Russian; its natural community was the European Union, not the Russian sphere; and independence required escaping Russian domination. Western integration was not merely economic policy but national fulfillment.

The "Slavic Brotherhood" Narrative. An alternative narrative—promoted by Russia and by Ukrainians oriented toward Moscow—emphasized East Slavic unity. In this telling:

- Russians, Ukrainians, and Belarusians were one people artificially divided
- Ukrainian nationalism was a Western (Polish, German, American) project to weaken Slavic civilization
- Soviet industrialization had developed Ukraine, not exploited it
- Independence was legitimate, but orientation toward the West was betrayal

This narrative implied Russian alignment. Ukraine's natural partners were Russia and Belarus; Western integration threatened cultural integrity; and the pipeline economy that connected Ukraine to Russia was feature, not bug.

The Regional Distribution. These competing narratives had regional bases. Western Ukraine—historically under Habsburg rule, Greek Catholic rather than Orthodox, Ukrainian-speaking—supported the national narrative overwhelmingly. Eastern Ukraine—historically under Russian rule, Russian Orthodox, often Russian-speaking—was more receptive to the Slavic brotherhood narrative. Crimea—transferred from Russia to Ukraine in 1954, majority Russian-speaking, home to the Black Sea Fleet—was distinct, its population often identifying as Russian rather than Ukrainian.

This regional distribution meant that national identity questions were simultaneously political questions. Elections aligned roughly along the east-west divide; language policy was political battleground; and historical memory (celebrating Ukrainian nationalists vs. Soviet victory in World War II) remained contested.

B. The European Narrative

By the 2000s, a specifically "European" narrative had emerged that transcended traditional nationalist frameworks. This narrative presented Europe not as ethnic category but as

civilizational project—a space of law, democracy, prosperity, and human rights that Ukraine should join.

The European Aspiration. The European narrative emphasized:

- Rule of law and functioning institutions (contrast with post-Soviet dysfunction)
- Economic prosperity (contrast with Ukrainian poverty)
- Democratic governance (contrast with oligarchic capture)
- "European values" (vaguely defined but powerfully attractive)

This narrative was embraced particularly by younger, urban, educated Ukrainians who identified with European modernity rather than with either Ukrainian nationalism or Russian civilizationalism. For this constituency, Europe meant escape from post-Soviet stagnation—not just economically but culturally, politically, institutionally.

The European Narrative's Function. The European narrative served elite functions beyond popular aspiration. For Western-oriented oligarchs, European integration promised:

- Access to European markets for their products
- Access to European financial systems for their capital
- Legal protections (property rights, contract enforcement) that Ukrainian institutions could not provide
- Legitimation of wealth acquired through questionable means

For Western institutions (EU, IMF, NATO), the European narrative provided:

- Justification for conditionality (reforms required for "European standards")
- Geopolitical positioning against Russian influence
- Access to Ukrainian markets, resources, and labor

The European narrative was genuinely popular—millions of Ukrainians sincerely aspired to European integration—but it also served as ideological cover for extraction projects that would benefit Western capital more than Ukrainian workers.

C. The Russian Narrative

Russia promoted its own narrative of Ukraine's proper orientation—a narrative that evolved from Soviet inheritance claims to explicitly imperial revanchism.

The "Near Abroad" Concept. Russian policy toward Ukraine initially emphasized the "near abroad"—the former Soviet republics that remained within Russia's natural sphere of influence. This narrative accepted Ukrainian sovereignty while asserting Russian interests in:

- Protection of Russian speakers (approximately 30% of Ukraine's population)
- Preservation of economic integration (the CIS customs union, gas trade)
- Exclusion of Western military presence (especially NATO)

The near abroad concept assumed that Ukraine would remain oriented toward Russia through economic interest and cultural affinity, without requiring formal subordination.

The "Russkiy Mir" Ideology. By the 2010s, a more aggressive "Russian World" (Russkiy Mir) narrative emerged. This narrative asserted:

- Russians and Ukrainians were one people (Putin: "one nation")
- Ukrainian statehood was an artificial creation of Soviet nationality policy
- Ukrainian national identity was a Western project to weaken Russia
- Russia had the right—even the obligation—to protect Russian civilization wherever it existed

The Russian World narrative implied that Ukrainian sovereignty was conditional—legitimate only when Ukraine remained within the Russian sphere, forfeit when Ukraine turned westward. This narrative would provide ideological justification for the 2014 and 2022 interventions.

The Historical Revisionism. Putin's 2021 essay "On the Historical Unity of Russians and Ukrainians" articulated the historical claims underlying the Russian World narrative. The essay argued that:

- Ukrainian and Russian identities had been one until artificially divided
- The Bolsheviks had created "Ukrainian" nationality for political purposes
- Modern Ukraine was a failed state created from Russian gifts (Crimea, Donbas)
- "True" Ukrainian sovereignty would align with Russia, not oppose it

This historical revisionism was not scholarly debate—it was preparation for war. By denying Ukrainian national legitimacy, Putin laid groundwork for intervention that could be framed not as aggression but as reunification.

D. The Narratives' Elite Functions

Each narrative served elite extraction purposes:

The National Narrative legitimized oligarchic capture by framing wealth accumulation as nation-building. Oligarchs who acquired Soviet assets were not thieves but patriots building a Ukrainian economy. The national narrative also justified hostility to Russian interference—interference that threatened oligarchic autonomy.

The European Narrative legitimized Western conditionality by framing structural adjustment as civilizational progress. Raising gas prices was not impoverishing citizens but achieving "market pricing." Labor deregulation was not degrading worker protections but achieving "flexibility." The European narrative made extraction appear as reform.

The Russian Narrative legitimized Russian intervention by framing it as protection rather than aggression. Annexing Crimea was not theft but recovery of Russian territory. Supporting Donbas

separatists was not destabilization but defending Russian speakers. The Russian narrative made extraction appear as liberation.

The Ukrainian population found itself between narratives, each offering genuine aspirational content (independence, prosperity, brotherhood) while serving extraction purposes that would benefit elites at popular expense. The tragedy of Ukrainian politics was that authentic popular aspirations were consistently captured by elite projects that hollowed out their substance while maintaining their form.

Part 1 of 4 concludes here. Part 2 will continue with Section III: Legal and Institutional Frameworks (examining privatization law, gas intermediary structures, and IMF conditionality) and Section IV: Wealth Extraction Mechanisms, Part 1 (covering the oligarchic economy, gas arbitrage, and the 2004-2014 period from Orange Revolution through Maidan).

Ukraine Study: The Borderland (1991–2024) — Part 2 of 4

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III. LEGAL AND INSTITUTIONAL FRAMEWORKS: THE ARCHITECTURE OF CAPTURE

A. The Privatization Framework

Ukrainian privatization was governed by laws that appeared to establish orderly, transparent procedures while actually creating mechanisms for insider capture. The legal framework's complexity itself served elite interests—opacity enabled manipulation that straightforward rules would have prevented.

The Legislative Foundation. The legal framework for privatization developed through successive laws:

The 1992 Privatization Law established the basic framework: state property would be sold through competitive procedures, with preferences for worker collectives and small investors. The law created the State Property Fund to manage privatization—an institution that would become notorious for corruption.

The 1994 Mass Privatization Program introduced voucher distribution, attempting to create mass share ownership. Every citizen received a privatization certificate (voucher) with nominal value of approximately $10,000 in property rights. These vouchers could be invested in privatizing enterprises or sold.

The 1997 Law on Enterprise Leasing enabled managers to lease enterprises with options to purchase—a mechanism that facilitated managerial buyouts of the enterprises they controlled.

Various enterprise-specific laws governed privatization of particular sectors (telecommunications, energy, strategic industries), often with terms designed to favor predetermined acquirers.

The Gap Between Law and Practice. The privatization laws contained provisions for competitive bidding, transparent valuation, and procedural fairness. These provisions were systematically evaded:

Valuation Manipulation. Enterprise valuations determined sale prices. State Property Fund officials, often receiving bribes, systematically undervalued enterprises—sometimes valuing billion-dollar industrial complexes at tens of millions. The Kryvorizhstal steel mill (Ukraine's largest) was initially sold in 2004 for $800 million to Akhmetov and Pinchuk; when re-privatized competitively in 2005, it sold for $4.8 billion to Mittal Steel. The differential—$4 billion—represented value transferred to insiders through manipulation.

Qualification Rigging. Privatization auctions required bidders to meet qualification criteria (financial capacity, industry experience, investment commitments). These criteria were written to exclude unwanted bidders. A criterion requiring "five years of industry experience" excluded new entrants; a criterion requiring "existing presence in Ukraine" excluded foreign competitors. The criteria appeared objective while predetermining outcomes.

Procedural Manipulation. Auction announcements were published in obscure outlets with minimal notice. Bid deadlines fell on holidays. Auction locations were changed without notice. Competitors' bids were disqualified on technicalities. The procedures existed; their application ensured predetermined outcomes.

The Voucher Concentration. The voucher system was supposed to create dispersed ownership—ordinary citizens owning shares in former state enterprises. Instead, vouchers concentrated rapidly:

Citizens facing poverty sold vouchers for immediate cash. The $10,000 nominal value became $20-50 actual value when desperate holders sold to organized buyers. Investment funds—often controlled by those who would acquire the enterprises—purchased vouchers at fractions of value, then used accumulated vouchers to acquire controlling stakes.

The mathematics were straightforward. An investment fund purchasing vouchers at 1% of nominal value could accumulate $100 million in nominal voucher holdings for $1 million in cash. Those vouchers could then acquire enterprises worth hundreds of millions. The voucher system transferred state assets not to citizens but to those with cash to buy citizens' vouchers.

B. The Gas Trade Architecture

The legal structures governing Ukraine's gas trade created extraction opportunities more valuable than industrial privatization. The gas trade's complexity—involving Russian suppliers,

Ukrainian transit operators, and European consumers—enabled intermediaries to insert themselves into value chains and extract billions.

The Soviet Legacy Contracts. Soviet-era gas supply arrangements had been internal transfers within a unified state. After independence, these arrangements had to be reconstituted as commercial contracts between sovereign entities. The reconstitution process was chaotic, opaque, and enormously lucrative for those who controlled it.

The key elements included:

Supply Contracts. Gazprom (Russia's state gas monopoly) contracted to supply Ukraine with gas at prices substantially below European market levels. The "friendship price"—ostensibly reflecting the fraternal relationship between Russia and Ukraine—was actually a political instrument, adjustable based on Ukrainian cooperation with Russian policy.

Transit Contracts. Ukraine's pipeline operator (initially part of the state gas company Naftogaz, later corporately separated) contracted to transit Russian gas to Europe. Transit fees (approximately $1-2 per thousand cubic meters per 100 kilometers) generated $2-3 billion annually in direct revenue—plus the less visible benefits of controlling the chokepoint.

Domestic Distribution. Gas delivered to Ukraine required domestic distribution to industrial users, power plants, and residential consumers. The distribution system—pipelines, metering, billing—was another extraction opportunity for those who controlled it.

The Intermediary System. Between Russian supply and Ukrainian consumption, a series of intermediary companies inserted themselves—companies that performed no productive function but extracted billions from the gas trade.

Itera (1990s). Itera, nominally a Florida-based company, became Gazprom's primary intermediary for gas sales to former Soviet states. Itera purchased gas from Gazprom at low prices and sold to Ukrainian and other consumers at higher prices, capturing the spread. The company's ownership was opaque; its function was extracting value that would otherwise flow to Gazprom shareholders or Ukrainian consumers.

EuralTransGas (2003-2004). When Itera's arrangements became politically untenable, a new intermediary emerged. EuralTransGas, registered in Hungary, assumed the intermediary function with even less transparency than Itera. The company's beneficial ownership was never fully established; its function—extraction—was clear.

RosUkrEnergo (2004-2009). RosUkrEnergo became the most notorious gas intermediary. Jointly owned by Gazprom (50%) and two Ukrainian businessmen through a Raiffeisen Bank structure (50%), RosUkrEnergo purchased Central Asian gas, sold it to Ukraine, and captured billions in intermediary profits.

The Ukrainian 50% was controlled by Dmytro Firtash (45%) and Ivan Fursin (5%). Firtash's rise from obscurity to billionaire status tracked his RosUkrEnergo involvement. U.S. diplomatic

cables (released by WikiLeaks) reported allegations that Firtash's position was facilitated by Semion Mogilevich, a figure U.S. authorities described as a major organized crime leader.

The Extraction Arithmetic. The intermediary profits were enormous:

- RosUkrEnergo reportedly earned approximately $5-7 billion during its years of operation
- The differential between Central Asian supply prices and Ukrainian sale prices exceeded $100 per thousand cubic meters
- At volumes of 50+ billion cubic meters annually, even small per-unit margins generated billions

These profits went to intermediary shareholders—ultimately, to Gazprom (controlled by the Russian state) and to connected Ukrainian businessmen. They did not benefit Ukrainian consumers, who paid higher prices than direct supply would have required, or Ukrainian taxpayers, who received none of the intermediary rent.

C. The Banking Sector Framework

Ukraine's banking system provided another extraction architecture. The banking sector was oligarch-dominated, poorly regulated, and repeatedly plundered—culminating in the 2016 PrivatBank nationalization that revealed perhaps the largest bank fraud in history.

The Oligarchic Banks. Major Ukrainian banks were owned by oligarchic groups:

- PrivatBank (Kolomoisky/Boholyubov) became Ukraine's largest bank, holding approximately one-third of retail deposits
- First Ukrainian International Bank (Akhmetov) served the SCM group's industrial empire
- FUIB, Ukrsibbank, and others served various oligarchic networks

These banks were not independent financial institutions—they were treasury operations for their owners' business groups. Related-party lending (banks lending to companies owned by the banks' owners) was endemic. The banks existed to channel depositor funds and international credit to oligarchic enterprises.

The Regulatory Framework. The National Bank of Ukraine (NBU) nominally regulated the banking sector. The regulatory framework included capital requirements, lending limits, and prudential standards that appeared rigorous. But enforcement was selective:

- NBU officials received bribes to overlook violations
- Politically connected banks received regulatory forbearance
- Examination findings were negotiable

The gap between regulatory form and regulatory substance meant that Ukraine's banking system appeared more stable than it was. International financial institutions (IMF, World Bank, EBRD) provided assessments that certified regulatory adequacy while the system was being systematically plundered.

The PrivatBank Case. PrivatBank's 2016 nationalization revealed the extraction that oligarchic banking enabled. NBU examination found:

- Related-party lending (loans to Kolomoisky/Boholyubov entities) totaled approximately $5.5 billion—representing 97% of the bank's corporate loan portfolio
- Many loans had been disbursed to shell companies with no real business operations
- Loan proceeds had been transferred offshore through complex structures
- The bank's capital was entirely fictitious—a $5.5 billion hole existed where capital should have been

The nationalization required approximately $5.5 billion in public funds to recapitalize the bank—funds that represented deposits of ordinary Ukrainians that Kolomoisky and Boholyubov had effectively stolen. Criminal investigations were launched; asset recovery efforts continue; but the theft had been accomplished through a legal framework that permitted (or failed to prevent) systematic plunder.

D. The IMF Conditionality Framework

The International Monetary Fund's involvement in Ukraine created a distinct extraction architecture—one operating not through oligarchic capture but through conditionality requirements that served Western financial interests while imposing costs on the Ukrainian population.

The Pattern of Engagement. Ukraine's IMF engagement followed a recurring pattern:

1. Economic crisis (currency collapse, budget crisis, balance of payments emergency)
2. IMF emergency program with substantial lending
3. Conditionality requirements (fiscal adjustment, structural reform, market opening)
4. Partial compliance, disbursement delays, program breakdown
5. New crisis, new program, repeated cycle

This pattern repeated through programs in 1994, 1995, 1997, 1998, 2004, 2008, 2010, 2014, 2015, and subsequent arrangements. Each program provided temporary stabilization while imposing conditions that Ukraine partially implemented before the next crisis.

The Conditionality Content. IMF conditionality consistently required:

Fiscal Adjustment. Deficit reduction through spending cuts and revenue increases. In practice, this meant reducing social spending (pensions, subsidies, public employment) while increasing taxes on consumption (VAT) rather than wealth.

Gas Price Increases. Domestic gas prices were heavily subsidized—Ukrainian consumers paid fractions of European prices. IMF programs consistently required price increases toward "market levels." These increases fell heavily on residential consumers and on energy-intensive industries; they reduced subsidies that benefited ordinary Ukrainians while increasing Naftogaz revenues available for debt service to foreign creditors.

Exchange Rate Flexibility. The IMF typically required abandoning currency pegs that had become unsustainable—allowing hryvnia devaluation that reduced real wages and increased the burden of foreign-currency debt.

Structural Reforms. Labor market "flexibility" (easier firing), pension reform (reduced benefits, increased retirement ages), privatization of remaining state assets, and opening markets to foreign competition.

The Conditionality Function. IMF conditionality served multiple functions:

Creditor Protection. Conditionality ensured that Ukraine maintained capacity to service external debt. Spending cuts and revenue increases freed resources for debt payments; gas price increases generated Naftogaz revenues that could service gas-related debts; and devaluation made Ukrainian exports competitive, generating foreign exchange for debt service.

Market Opening. Conditionality opened Ukrainian markets to foreign goods, services, and capital. Trade liberalization benefited European exporters; banking sector "reform" opened the sector to foreign banks; and privatization created acquisition opportunities for foreign capital.

Disciplining Labor. Conditionality shifted bargaining power from labor to capital. Public sector wage freezes reduced government workers' income; labor market flexibility facilitated private sector wage suppression; and reduced social benefits increased workers' desperation and willingness to accept unfavorable terms.

The IMF's analytical framework—emphasizing "macroeconomic stability," "structural reform," and "market efficiency"—presented these conditions as technical requirements for economic health. The framework did not acknowledge that the conditions systematically favored capital over labor, creditors over debtors, and foreign interests over domestic ones.

E. The Association Agreement Framework

The European Union's Association Agreement with Ukraine—whose rejection by President Yanukovych triggered the Maidan protests—represented another legal framework for extraction, this one operating through trade terms and regulatory harmonization.

The Agreement's Structure. The EU-Ukraine Association Agreement (negotiated 2007-2011, signed 2014, implemented progressively thereafter) established:

A Deep and Comprehensive Free Trade Area (DCFTA). Phased elimination of tariffs on goods, with Ukrainian products gaining access to EU markets and EU products gaining access to Ukrainian markets.

Regulatory Harmonization. Ukraine committed to adopting EU regulations across numerous sectors—food safety, product standards, competition policy, intellectual property. This harmonization required rewriting thousands of Ukrainian laws to conform to EU templates.

Political Association. Provisions for political dialogue, cooperation on foreign policy, and gradual integration of Ukraine into European structures.

The Asymmetry. The agreement was negotiated between the European Union (GDP approximately €14 trillion, population 450 million) and Ukraine (GDP approximately €130 billion, population 45 million). This asymmetry shaped the agreement's terms:

Market Opening Asymmetry. While tariffs were eliminated bilaterally, the practical effect was asymmetric. EU producers could compete in Ukrainian markets immediately; Ukrainian producers faced non-tariff barriers (regulatory compliance, quality certification) that tariff elimination did not address.

Regulatory Adoption. Ukraine adopted EU regulations; the EU did not adopt Ukrainian regulations. This was presented as Ukraine "rising to European standards," but it also meant that European regulatory choices—often shaped by European industry lobbying—became binding on Ukraine.

Labor Mobility. The agreement did not provide Ukrainians with freedom of movement to EU labor markets—the benefit that EU citizens most valued from EU membership. Ukrainians could sell goods to Europe; they could not legally work there (though millions did so irregularly).

The Agreement's Function. The Association Agreement served European interests through several mechanisms:

Market Access. European producers—particularly in agriculture, automotive, and consumer goods—gained access to Ukrainian markets without meaningful reciprocity.

Regulatory Lock-In. Regulatory harmonization locked Ukraine into European regulatory frameworks, preventing future regulatory competition and ensuring that Ukraine could not use regulation to develop domestic industries.

Geopolitical Positioning. The agreement pulled Ukraine from the Russian sphere into the European sphere—not through EU membership (which was not offered) but through legal and economic integration that made Russian reintegration difficult.

The agreement was presented as Ukraine's path to Europe—and many Ukrainians genuinely supported it as such. But the agreement's terms reflected the negotiating asymmetry: Europe obtained market access and regulatory extension; Ukraine obtained aspiration without membership.

IV. WEALTH EXTRACTION MECHANISMS, PART 1: THE OLIGARCHIC ECONOMY

A. The Mechanics of Oligarchic Extraction

The oligarchs who captured Ukraine's industrial assets did not merely own enterprises—they operated extraction systems that drained value from enterprises, workers, and the state. Understanding these mechanisms reveals how oligarchic wealth accumulated.

Transfer Pricing. Oligarchic groups typically controlled both production and trading. A steel mill owned by an oligarch would sell its output not to independent buyers at market prices but to a trading company owned by the same oligarch at below-market prices. The trading company would then sell to final buyers at market prices, capturing the margin.

This transfer pricing served multiple purposes:

- It shifted profits from Ukrainian production entities (subject to Ukrainian taxation) to trading entities (often registered in low-tax jurisdictions)
- It understated enterprise profitability, justifying low wages and avoiding profit-sharing with minority shareholders
- It created off-book resources available for oligarch discretionary use

The mathematics were substantial. If a steel mill produced $2 billion in output annually and transfer pricing understated this by 15%, $300 million annually was extracted through the pricing mechanism alone—before any other extraction.

Offshore Structures. Oligarchic ownership was typically structured through offshore holding companies—entities registered in Cyprus, British Virgin Islands, Netherlands, or other low-tax, high-secrecy jurisdictions. These structures:

- Minimized Ukrainian taxation on dividends and capital gains
- Protected assets from Ukrainian legal proceedings
- Enabled confidential wealth holding away from public scrutiny
- Facilitated international transactions outside Ukrainian banking system

The offshore structuring was not illegal—Ukrainian law permitted foreign ownership of Ukrainian assets—but it ensured that oligarchic wealth accumulated outside Ukraine. The factories were in Donetsk and Dnipro; the ownership and the profits were in Nicosia and London.

State Capture. Oligarchs extracted value not only from their own enterprises but from the state. State capture mechanisms included:

Regulatory Favoritism. Oligarch-owned enterprises received favorable regulatory treatment—environmental permits, import/export licenses, customs facilitation—that competitors lacked. This favoritism created competitive advantages worth billions.

Subsidized Inputs. Heavy industry required energy, transportation, and other inputs that the state provided or regulated. Oligarch enterprises received energy at below-market prices, favorable railway tariffs, and access to resources (mining rights, water) on preferential terms.

Government Contracts. State procurement—for infrastructure, defense, healthcare—was systematically steered to oligarch-owned companies. Contract prices exceeded market rates; quality was often substandard; and the differential between contract price and actual cost flowed to oligarch pockets.

Tax Arbitrage. While ordinary Ukrainians paid taxes, oligarchic enterprises employed sophisticated structures to minimize tax liability. Advance tax rulings, transfer pricing arrangements, and outright corruption enabled tax avoidance that shifted public burdens onto those without oligarchic resources.

Labor Extraction. Ukrainian workers received low wages—average industrial wages were a fraction of European levels for comparable productivity. This wage suppression benefited oligarch-owners:

- Wage bills were minimized, increasing margins available for extraction
- Labor's weak bargaining position (limited alternatives, anti-union environment) enabled continued suppression
- The differential between Ukrainian and European wage levels represented value extracted from workers and captured by owners

Ukrainian steel workers produced output comparable to European peers but received wages one-fifth to one-tenth as high. The differential—the value their labor created beyond what they received—flowed to oligarch owners.

B. The Gas Trade Extraction

The gas trade was Ukrainian oligarchy's most lucrative extraction mechanism—more valuable than steel mills or chemical plants because it required no productive activity, only position. The intermediaries extracted billions simply by sitting between Russian supply and Ukrainian consumption.

The RosUkrEnergo Model. RosUkrEnergo's extraction mechanism was elegant in its simplicity:

1. RUE purchased Central Asian gas (primarily Turkmen) at approximately $50 per thousand cubic meters
2. RUE sold this gas to Ukraine at approximately $95-130 per thousand cubic meters
3. The differential—$45-80 per thousand cubic meters—was RUE profit
4. At volumes of 50+ billion cubic meters annually, profits exceeded $2-4 billion annually

This extraction required no capital investment, no technological capability, no value addition. RUE simply occupied the intermediary position and extracted rent from the traffic flowing through that position.

The Political Protection. Intermediary extraction required political protection. RUE's position was established through agreements between Russian and Ukrainian

governments—agreements that designated RUE as the authorized intermediary. This designation was not merit-based; it was politically determined. Maintaining the designation required maintaining political relationships.

The political protection operated through multiple mechanisms:

- Campaign contributions and direct payments to Ukrainian politicians
- Business relationships that aligned politician interests with intermediary profitability
- Russian government support (Gazprom owned 50% of RUE) that made challenging the arrangement diplomatically costly
- Media influence (Firtash's Inter TV became Ukraine's largest network) that could promote or destroy political figures

The gas intermediary structure demonstrated how legal frameworks could create extraction opportunities worth billions—and how political power was required to maintain those opportunities.

The Tymoshenko Contracts. The 2009 gas contracts negotiated by Prime Minister Yulia Tymoshenko eliminated RosUkrEnergo, establishing direct Gazprom-Naftogaz supply. This elimination was presented as anti-corruption reform—removing the opaque intermediary that had extracted billions.

But the 2009 contracts themselves contained problematic provisions:

- Long-term pricing formulas that locked Ukraine into high prices when market conditions changed
- Take-or-pay provisions requiring Ukraine to pay for minimum volumes whether consumed or not
- Terms that subsequent Ukrainian governments argued were so unfavorable they constituted criminal malfeasance

Tymoshenko was eventually prosecuted and imprisoned (2011-2014) ostensibly for "exceeding authority" in negotiating these contracts. Whether this prosecution represented legitimate accountability or political persecution (Tymoshenko was President Yanukovych's primary opponent) remained contested. The prosecution served Yanukovych's political interests while also serving Russian interests—the contracts Tymoshenko had negotiated, whatever their flaws, had eliminated the RosUkrEnergo intermediary through which Russian and Ukrainian elites had jointly extracted.

C. The Orange Revolution and Its Capture (2004-2010)

The Orange Revolution of 2004 appeared to challenge oligarchic extraction. Mass protests overturned a fraudulent election and installed Viktor Yushchenko, who promised reform, European integration, and clean government. The revolution's failure to deliver on these

promises demonstrated how elite capture could operate even through apparent popular victories.

The Revolution's Trigger. The 2004 presidential election pitted Viktor Yanukovych (Donetsk-based, Akhmetov-backed, Russia-oriented) against Viktor Yushchenko (Western-oriented, reformist rhetoric, backed by different oligarchic faction). The November runoff was massively fraudulent—exit polls showed Yushchenko winning by 10+ points while official results showed Yanukovych winning.

The fraud triggered mass protests—hundreds of thousands occupying central Kyiv in freezing temperatures, demanding recognition of the actual election results. The "Orange" protests (named for Yushchenko's campaign color) sustained for weeks until the Supreme Court annulled the fraudulent results and ordered a new runoff. Yushchenko won the December re-vote with 52% to Yanukovych's 44%.

The Revolutionary Promise. The Orange Revolution appeared to promise fundamental change:

- Democratic consolidation (the fraudulent election had been overturned)
- Anti-corruption reform (Yushchenko had campaigned against oligarchic capture)
- European integration (Yushchenko explicitly oriented Ukraine westward)
- Rule of law (courts had enforced democratic process against executive fraud)

International observers celebrated the revolution as democratic breakthrough. Ukraine would join the European democratic community; oligarchic politics would give way to rule of law; and the country's Western trajectory was secured.

The Revolutionary Failure. The Orange Revolution's promise was not fulfilled. The Yushchenko presidency (2005-2010) demonstrated that changing personnel did not change structure:

Elite Continuity. The new government was not staffed by revolutionary outsiders but by a different faction of the existing elite. Yushchenko's allies—including oligarchs like Poroshenko—replaced Yanukovych's allies in key positions. The faces changed; the extraction continued.

Tymoshenko Conflict. Prime Minister Yulia Tymoshenko and President Yushchenko, allies during the revolution, became bitter rivals. Their conflict—partly personal, partly based on competing oligarchic backing—paralyzed the government and prevented coherent reform.

Oligarchic Adaptation. The oligarchs adapted to the new environment. Those who had backed Yanukovych made peace with the new government; those who had backed Yushchenko extracted benefits from their positions. Akhmetov's SCM group, despite its Yanukovych connections, maintained its position and continued its extraction.

Institutional Continuity. The institutions that enabled extraction—the opaque privatization processes, the gas intermediary structures, the oligarch-owned media—remained intact. Reform rhetoric was abundant; structural change was minimal.

The Yanukovych Return. By 2010, public disillusionment with the Orange government enabled Yanukovych's return. He won the presidency with 49% to Tymoshenko's 45%—a legitimate election this time, reflecting genuine voter preference for stability over continued Orange dysfunction.

Yanukovych's return demonstrated that democratic processes could produce oligarchic outcomes. The voters who chose Yanukovych were not voting for corruption—they were voting against the chaos of Orange governance. But Yanukovych's victory restored the Donetsk-aligned faction to power, with consequences that would become apparent in 2013-2014.

D. The Yanukovych Consolidation (2010-2013)

The Yanukovych presidency represented oligarchic extraction's most concentrated form. The "Family"—the network around Yanukovych's son Oleksandr—systematically captured state resources and extracted at scale that exceeded previous presidencies.

The Family's Rise. Oleksandr Yanukovych, a dentist with no significant business experience before his father's presidency, became a billionaire during the Yanukovych years. His business interests expanded into coal mining, real estate, banking, and government contracts. The mechanism was straightforward: the president's family members received business opportunities that generated enormous returns.

The Family's extraction operated through multiple channels:

Government Contracts. State procurement systematically favored Family-connected companies. Infrastructure projects, medical supplies, equipment purchases—the state's purchasing power was directed to businesses that shared proceeds with the Family.

Regulatory Capture. Regulatory decisions (licenses, permits, approvals) favored Family enterprises or companies that paid for favorable treatment. The regulatory state became a tollbooth.

Direct Theft. The line between corruption and theft blurred. The Mezhyhirya compound—Yanukovych's private residence—was nominally state property that Yanukovych had somehow acquired personally. Its construction (including a private zoo, golf course, and replica galleon) cost estimated hundreds of millions, funded through sources that remained unclear.

The Balance Collapse. Yanukovych's extraction exceeded what the system could sustain. His concentration of power alienated oligarchs (including Akhmetov) who found their own extraction constrained. His Russia alignment—seeking loans and gas price reductions from

Moscow—created obligations that would prove costly. And his Family's visible theft offended public sensibilities in ways that more discreet oligarchic extraction had not.

The balance that had sustained Ukrainian oligarchy—multiple factions extracting at sustainable levels, no single faction monopolizing—was collapsing. Yanukovych was attempting to establish a more authoritarian model in which a single faction dominated. This concentration would prove his undoing.

The System's Contradictions

By 2013, Ukrainian extraction had reached a critical juncture. The system's contradictions were becoming unsustainable:

The Russia-Europe Binary. Ukraine could no longer sustain ambiguous positioning between Russia and Europe. The EU Association Agreement required choosing Europe; Russia's Eurasian Economic Union required choosing Russia. The oligarchs who had profited from ambiguity faced a binary choice that would advantage some and disadvantage others.

The Fiscal Crisis. Years of extraction had depleted state capacity. Budget deficits were chronic; debt was accumulating; and the currency was under pressure. Ukraine needed external financing—from the IMF, from Russia, from European institutions—and each source imposed incompatible conditions.

The Popular Frustration. The Orange Revolution's failure had not extinguished popular aspiration for something better. The European narrative remained powerful, particularly among younger Ukrainians who associated Europe with opportunity and Ukraine's post-Soviet status quo with stagnation.

The Oligarchic Division. The oligarchs themselves were divided. Some (like Akhmetov) had European business interests and preferred Western orientation. Others (like Firtash) had Russian business interests and preferred Russian alignment. The Family's extraction had alienated former allies across both camps.

When Yanukovych rejected the EU Association Agreement in November 2013—choosing Russian financing over European integration—these contradictions exploded. The Maidan protests that followed, and the violence that ended them, would transform Ukrainian politics. But they would not end extraction—they would determine which extraction regime would predominate.

Part 3 will examine the Maidan revolution, the Russian intervention, and the competitive extraction that followed—how Western conditionality and Russian aggression operated as alternative extraction projects, and how Ukrainians found themselves caught between them.

Part 2 of 4 concludes here. Part 3 will continue with Section IV: Wealth Extraction Mechanisms, Part 2 (covering the Maidan, Russian intervention, IMF programs, and wartime extraction) and Section V: Information Control and Section VI: Resistance Suppression.

Ukraine Study: The Borderland (1991–2024) — Part 3 of 4

From Soviet Industrial Giant to Contested Extraction Zone: Elite Capture, Energy Politics, and the War for Assets

Expanded Core Framework Series
December 2025

IV. WEALTH EXTRACTION MECHANISMS, PART 2: REVOLUTION, INTERVENTION, AND WAR

A. The Maidan Revolution (November 2013 – February 2014)

The Euromaidan protests began as a response to President Yanukovych's rejection of the EU Association Agreement and became a revolution that overthrew his government. The Maidan represented genuine popular aspiration—hundreds of thousands demanding European integration, dignity, and an end to Yanukovych's kleptocracy. But the revolution's aftermath demonstrated how popular movements could be captured by elite projects serving interests other than the protesters' own.

The Trigger. On November 21, 2013, the Yanukovych government announced it would suspend preparations for signing the EU Association Agreement. The decision followed Russian pressure: Moscow had threatened trade sanctions and offered a $15 billion loan plus reduced gas prices as an alternative to European integration.

The announcement triggered immediate protest. Within days, tens of thousands gathered on Kyiv's Maidan Nezalezhnosti (Independence Square)—the same site as the 2004 Orange Revolution. The protesters demanded European integration and, increasingly, Yanukovych's resignation.

The Escalation. The government's response escalated the conflict. On November 30, riot police violently dispersed protesters, beating students and journalists. The violence—broadcast on social media and opposition television—outraged Ukrainians who had not previously supported the protests. The Maidan grew from tens of thousands to hundreds of thousands.

Through December and January, the Maidan became a sustained occupation. Protesters built barricades, established supply systems, and created a parallel community in central Kyiv. The protest's demands expanded from EU integration to fundamental regime change: Yanukovych's removal, constitutional reform, and accountability for violence.

The Violence. In January 2014, the government passed restrictive laws criminalizing protest activities. The opposition responded with escalation. Clashes between protesters and police intensified; the first protesters were killed in late January.

The culmination came February 18-20. Snipers—their affiliation remains disputed—killed approximately 100 protesters and police. The massacre delegitimized the government internationally; European foreign ministers arrived to negotiate; and Yanukovych agreed to early elections, constitutional reform, and power-sharing.

The agreement did not hold. On February 21-22, Yanukovych fled Kyiv, initially to eastern Ukraine and then to Russia. Parliament declared him to have abandoned his position and appointed an interim government. The revolution had succeeded—or so it appeared.

The Revolution's Capture. The Maidan's immediate aftermath demonstrated elite capture of revolutionary momentum:

The Interim Government. **The interim government was not staffed by Maidan activists but by opposition politicians who had negotiated with the regime. Arseniy Yatsenyuk (Prime Minister) represented the Fatherland party; his cabinet included figures acceptable to Western governments and, importantly, to portions of the oligarchy. The revolutionary moment was channeled into institutional arrangements that preserved elite positioning.**

The Oligarchic Survivors. **The oligarchs adapted rapidly. Akhmetov, whose interests were threatened by the revolution's anti-corruption rhetoric, made peace with the new government. Poroshenko, who had supported the Maidan, positioned himself as presidential candidate. Kolomoisky became governor of Dnipropetrovsk, using his private resources to fund resistance to Russian intervention. The oligarchs who had extracted from Ukraine for decades became the revolution's managers.**

The Western Framework. **The EU Association Agreement—whose rejection had triggered the Maidan—was signed by the interim government. The IMF began negotiating a new program. Western conditionality would now shape Ukrainian policy, replacing Russian influence with Western influence but not eliminating external extraction.**

The Maidan protesters had demanded dignity, European values, and an end to kleptocracy. What they received was a new government that would implement IMF austerity, a continuing war that would devastate the east, and an oligarchic structure that adapted rather than fell.

B. The Russian Intervention (2014-2022)

Russia's response to the Maidan was immediate and territorial. Within weeks, Russian forces had seized Crimea; within months, Russian-backed separatists (supported by Russian military forces) had established control over portions of the Donbas. The intervention represented extraction by military means—seizing assets that political mechanisms could no longer secure.

The Crimean Seizure. In late February 2014, armed men without insignia ("little green men") appeared at key installations throughout Crimea. These were Russian special forces, though Russia initially denied involvement. By mid-March, a referendum (conducted under military occupation, without independent observation) produced an implausible 97% vote for joining Russia. Russia announced Crimea's annexation on March 18, 2014.

The seizure was illegal under international law—the first annexation of European territory since World War II. It was also strategically rational from a Russian extraction perspective:

***Naval Assets.* Crimea housed Russia's Black Sea Fleet at Sevastopol. The fleet's lease arrangement (extended under Yanukovych) had been politically contested; annexation eliminated the dependence on Ukrainian cooperation.**

***Energy Resources.* Crimea's offshore waters contained significant oil and gas deposits. Ukrainian licenses for these deposits had been granted to Western companies (including Shell and ExxonMobil); annexation transferred these resources to Russian control.**

***Strategic Position.* Crimea controlled access to the Sea of Azov (and thereby to the Donbas coast) and provided platforms for projecting power across the Black Sea region.**

The annexation was accomplished without significant military resistance—the Ukrainian military in Crimea was outmanned and outgunned, and the Crimean population (majority Russian-identifying) did not resist. But the precedent was established: Russia would use military force to seize Ukrainian territory when political control was lost.

The Donbas War. The intervention in eastern Ukraine followed a different pattern—not outright annexation but the creation of separatist entities that would destabilize Ukraine and provide Russian leverage.

In April 2014, armed groups seized government buildings in Donetsk and Luhansk, declaring "people's republics" and requesting Russian protection. These groups included local separatists but also Russian operatives and, eventually, regular Russian military units. The Ukrainian military's initial attempts to restore control failed; by summer 2014, the separatists (with Russian military support) controlled significant portions of both oblasts.

The war that followed killed approximately 14,000 people by 2022 and displaced millions. The Minsk agreements (2014, 2015) established ceasefires that repeatedly collapsed, creating a "frozen conflict" that served Russian interests:

Ukrainian Destabilization. **The ongoing conflict consumed Ukrainian military resources, absorbed political attention, and deterred Western investment. Ukraine could not join NATO with active territorial disputes; EU membership remained distant while war continued.**

Economic Extraction. **The separatist territories contained significant industrial assets—Donbas coal and steel, chemical plants, and infrastructure. The conflict's economic impact was complex: some assets were destroyed; others were operated by separatist authorities; and trade continued across the contact line through channels that enriched connected parties on both sides.**

Political Leverage. **The separatist territories provided Russia with ongoing influence over Ukrainian politics. Any settlement would require Ukrainian concessions; Russian recognition of the separatist "republics" could be granted or withheld based on Ukrainian behavior.**

C. The IMF Extraction (2014-2022)

While Russia seized territory, Western institutions seized policy space. The IMF programs that followed the Maidan imposed conditionality that served creditor interests while imposing costs on Ukrainian workers and pensioners.

The 2014 Program. In April 2014, the IMF approved a $17 billion Stand-By Arrangement for Ukraine—later increased to $17.5 billion. The program's conditionality was severe:

Fiscal Adjustment. **The budget deficit was to be reduced through spending cuts and revenue measures. Public sector wages were frozen; social spending was reduced; and the fiscal squeeze fell on services that ordinary Ukrainians depended upon.**

Gas Price Increases. **Domestic gas prices—subsidized at approximately 20% of import prices—were to be raised toward "cost recovery" levels. The price increases were phased but substantial: by 2017, residential gas prices had increased approximately 900% from 2014 levels.**

Currency Devaluation. **The hryvnia was allowed to float freely, resulting in massive devaluation—from approximately 8 per dollar in early 2014 to 27 per dollar by early 2015. This devaluation reduced real wages and increased the burden of foreign-currency debt while making Ukrainian exports competitive.**

Pension Reform. **Pension ages were increased; benefit formulas were adjusted; and the pension system was restructured to reduce future obligations.**

The Adjustment's Impact. The IMF program's impact on Ukrainian living standards was devastating:

Real Income Collapse. **The combination of devaluation, inflation, and frozen nominal wages reduced real incomes by approximately 50% between 2013 and 2015. Ukrainians who had earned modest middle incomes found themselves impoverished.**

Energy Poverty. **Gas price increases pushed heating costs beyond many households' capacity to pay. "Energy poverty"—the inability to adequately heat homes—became widespread.**

Healthcare Deterioration. **Health spending cuts reduced already-inadequate services. Medicine shortages became common; hospital closures accelerated; and health outcomes deteriorated.**

Labor Migration. **Faced with collapsed incomes at home, millions of Ukrainians sought work abroad. Estimates suggest 2-4 million Ukrainians were working in Poland, Czech Republic, and other European countries by 2019—the largest labor migration in modern European history.**

The IMF's Analytical Framework. The IMF presented its program as necessary stabilization—emergency measures required to prevent economic collapse. The framework emphasized:

- **"Market pricing" for energy (eliminating "distortionary subsidies")**
- **"Fiscal sustainability" (preventing unsustainable debt accumulation)**
- **"Structural reform" (improving efficiency and competitiveness)**

This framework did not acknowledge that the "distortionary subsidies" had enabled Ukrainians to heat their homes; that "fiscal sustainability" was achieved by cutting services to vulnerable populations; or that "structural reform" shifted income from labor to capital.

The IMF conditionality represented extraction as surely as oligarchic capture—the transfer of resources from the Ukrainian population to external creditors and to the domestic elites positioned to benefit from market opening. The extraction mechanism differed from oligarchic theft; the transfer of value was similar.

D. The Full-Scale Invasion (2022-Present)

Russia's full-scale invasion of February 24, 2022, represented the extraction framework's violent culmination—an attempt to seize by military force what political mechanisms had failed to deliver.

The Invasion's Objectives. Russia's maximalist objectives appeared to include:

Regime Change. **The initial thrust toward Kyiv suggested an attempt to decapitate the Ukrainian government, install a compliant regime, and reverse the Maidan outcome entirely.**

Territorial Seizure. **The attacks on Kharkiv, the Donbas, and the southern corridor to Crimea sought to seize Ukraine's industrial heartland and Black Sea coastline—the assets that made Ukraine valuable.**

Infrastructure Destruction. **The systematic targeting of power plants, heating infrastructure, and transportation networks aimed to make Ukraine ungovernable and economically unviable.**

The Asset Geography. The invasion's geography tracked asset distribution:

The Donbas. **Russia's stated rationale for invasion—protecting Russian speakers, denazification, demilitarization—was pretextual. The actual target was the Donbas industrial complex: the steel mills, the coal mines, the chemical plants that had been Soviet Ukraine's economic foundation.**

The Southern Corridor. **The push to connect Crimea with the Donbas (achieved) and potentially with Transnistria (failed) sought to capture Ukraine's Black Sea coast—the ports through which Ukrainian exports reached world markets.**

Zaporizhzhia Nuclear Plant. **The seizure of Europe's largest nuclear power plant was strategically significant—the plant provided approximately 20% of Ukraine's electricity, and Russian control provided leverage over Ukrainian energy security.**

The Grain Belt. **Control of southern Ukraine would have given Russia control over significant portions of global grain exports—leverage over food security that Russia could weaponize diplomatically.**

The Invasion's Failure. The invasion failed to achieve its maximalist objectives. Ukrainian resistance—far more effective than Russia (or Western intelligence) had anticipated—prevented Kyiv's capture, forced Russian withdrawal from northern Ukraine, and has contested Russian control of occupied territories.

But partial Russian success has occurred:

- **Approximately 20% of Ukrainian territory remains under Russian occupation**
- **Infrastructure destruction has been massive—power plants, heating systems, and housing destroyed or damaged**
- **Economic output has collapsed (approximately 29% GDP decline in 2022)**
- **Millions of Ukrainians have become refugees (external) or internally displaced**

The War as Extraction. The war's framing as geopolitical conflict (Russia vs. NATO expansion) or civilizational struggle (defending Russian civilization) obscures its extraction dimension:

Asset Seizure. **Russian occupation of Ukrainian territory represents asset seizure—the physical capture of industrial facilities, agricultural land, and energy resources that Ukraine controlled.**

Infrastructure Destruction. **Destroying what cannot be seized ensures that Ukraine cannot benefit from assets Russia fails to capture. The calculus is extractive: deny to others what cannot be taken for oneself.**

Population Displacement. **Forcing Ukrainian populations to flee—through violence, infrastructure destruction, and livelihood elimination—clears territory for eventual exploitation and eliminates political resistance.**

The war's human cost—tens of thousands killed, millions displaced, cities destroyed—is catastrophic. The framework's contribution is not to minimize this horror but to identify its logic: the war is extraction by military means, seizing through violence what political capture could not deliver.

E. Reconstruction as Extraction Opportunity

Even as the war continues, frameworks for post-war reconstruction are being established—frameworks that may determine who owns Ukraine for generations.

The Reconstruction Stakes. Ukraine's reconstruction will cost hundreds of billions of dollars—estimates range from $400 billion to over $1 trillion. This reconstruction represents both obligation and opportunity:

Obligation. **Ukraine's destroyed infrastructure must be rebuilt: power plants, housing, transportation, healthcare facilities. This reconstruction is humanitarian necessity.**

Opportunity. **Reconstruction spending creates profit opportunities for those who receive contracts. Whoever finances reconstruction will shape who benefits from it.**

The Institutional Framework. Western institutions have begun establishing reconstruction frameworks:

The Ukraine Recovery Conference. **Annual conferences (Lugano 2022, London 2023, Berlin 2024) have developed reconstruction principles emphasizing reform conditionality, private sector mobilization, and transparent governance.**

The Multi-Donor Coordination Platform. **The G7-led platform coordinates donor contributions and establishes conditions that recipient funding must satisfy.**

The Ukrainian Reconstruction Fund. **Various proposed mechanisms would channel reconstruction finance through structures that ensure donor oversight and reform compliance.**

The Conditionality Pattern. The emerging reconstruction framework echoes IMF conditionality:

Reform Requirements. **Reconstruction funding will be conditioned on anti-corruption measures, judicial reform, privatization, and regulatory changes that donors specify.**

Private Sector Preference. **Reconstruction frameworks emphasize "private sector mobilization"—channeling public funds through arrangements that generate private returns. Infrastructure may be rebuilt through public-private partnerships that provide profit opportunities for participating corporations.**

Market Opening. **Reconstruction conditionality will likely require market access for foreign goods, services, and capital—opening post-war Ukraine to competition that domestic firms may not survive.**

The Ownership Question. Reconstruction's critical question is ownership: Who will own the rebuilt Ukraine?

Foreign Acquisition. **Market opening and privatization conditionality may enable foreign acquisition of Ukrainian assets—agricultural land, infrastructure, remaining industrial capacity—at prices reflecting war-related depreciation.**

Creditor Claims. **Reconstruction financing will create debt obligations. If Ukraine cannot service these obligations, creditors may demand asset transfers, policy concessions, or restructuring terms that serve creditor interests.**

Oligarchic Persistence. **Despite war and reform rhetoric, Ukrainian oligarchs retain substantial assets and political influence. Reconstruction may provide new extraction opportunities for those positioned to capture contracts and regulatory favor.**

The framework for reconstruction is not yet fixed. Popular mobilization, Ukrainian government choices, and international solidarity could produce reconstruction that serves Ukrainian interests. But the institutional structures being established suggest extraction continuity—Western extraction replacing or supplementing oligarchic extraction, with Ukrainian workers bearing adjustment costs while foreign capital captures reconstruction returns.

V. INFORMATION CONTROL: COMPETING NARRATIVES AND CAPTURED MEDIA

A. Oligarchic Media Ownership

Ukrainian media was not independent—it was owned by the same oligarchs who controlled industry, banking, and politics. Media ownership served elite interests through narrative control, political influence, and the informal power that came from determining what Ukrainians knew about their country.

The Media Landscape. Ukraine's major television channels—the dominant information source for most Ukrainians—were oligarch-owned:

Inter (Firtash). **Dmytro Firtash's Inter Media Group owned Inter, Ukraine's largest television channel by viewership. Inter's programming tilted toward Russia-friendly content; its political coverage favored politicians aligned with Firtash's interests.**

1+1 (Kolomoisky). **Ihor Kolomoisky's 1+1 Media Group owned 1+1 and associated channels. The network's political positioning shifted with Kolomoisky's interests—anti-Yanukovych during the Maidan, then platform for Volodymyr Zelensky's presidential campaign.**

Ukraine (Akhmetov). **Rinat Akhmetov's Media Group Ukraine owned the Ukraine channel and associated properties. Coverage reflected Akhmetov's Donetsk base and Party of Regions alignment.**

Channel 5 (Poroshenko). **Petro Poroshenko's Channel 5 provided the future president with a media platform. Its positioning was nationalist and pro-European, reflecting Poroshenko's political brand.**

The Media Function. Oligarch-owned media served multiple functions:

Political Influence. **Media ownership provided influence over political outcomes. Coverage could promote favored candidates, damage opponents, and shape public understanding of policy issues. Politicians seeking favorable coverage had to accommodate media owners' interests.**

Protection. **Media ownership provided defensive capability. An oligarch threatened by investigation, prosecution, or expropriation could deploy media resources to shape public narrative, rally supporters, and pressure officials. Media was insurance as much as investment.**

Business Integration. **Media promoted oligarchs' business interests—favorable coverage of their enterprises, suppression of unfavorable information, and narrative framing that served commercial purposes.**

The Information Asymmetry. Ordinary Ukrainians received information filtered through oligarchic interests. This did not mean all coverage was false—Ukrainian media included genuine journalism—but it meant that information unfavorable to media owners' interests

was systematically underrepresented, while information serving those interests was amplified.

The oligarchic media created an information environment in which Ukrainians understood their country through narratives shaped by those who extracted from it. Anti-corruption coverage targeted oligarchs' rivals; tax policy was discussed through frames serving business interests; and the systemic nature of extraction was obscured by focus on individual wrongdoing.

B. Russian Information Warfare

Russia conducted sophisticated information operations targeting Ukrainian and international audiences. These operations sought to delegitimize Ukrainian statehood, justify Russian intervention, and shape perceptions in ways that served Russian interests.

The Domestic Russian Narrative. Russian state media presented Ukraine through consistent frames:

The Illegitimate State. **Ukraine was portrayed as an artificial creation, its independence a historical accident, its government a puppet of Western powers. This framing justified intervention as correcting historical error rather than violating sovereignty.**

The Nazi Threat. **Ukrainian nationalism was consistently framed as Nazi revival. Genuine far-right elements in Ukrainian politics (Azov Battalion, Right Sector) were amplified to portray all Ukrainian nationalism as fascism requiring Russian response.**

The Humanitarian Mission. **Russian intervention was framed as protecting Russian speakers from Ukrainian persecution. Atrocities attributed to Ukrainian forces were amplified; Russian atrocities were denied or attributed to Ukrainian provocations.**

The International Operations. Russian information operations targeting Western audiences sought to:

Divide Western Coalitions. **Messaging emphasized costs of sanctions, risks of escalation, and Western hypocrisy. The goal was fragmenting Western support for Ukraine.**

Amplify Extremes. **Russian operations amplified both pro-Russian and extreme nationalist Ukrainian content, exacerbating polarization and obscuring moderate positions.**

Create Confusion. **"Firehose of falsehood" tactics flooded information space with contradictory claims, making truth determination difficult and promoting cynicism about all information sources.**

The Information War's Stakes. Control of narrative shaped material outcomes. International support for Ukraine depended on perceptions of legitimacy; sanction maintenance depended on public support in sanctioning countries; and Ukrainian domestic politics was shaped by information environment. Information warfare was not separate from the conflict—it was a dimension of it.

C. Western Information Frameworks

Western information about Ukraine operated through its own frameworks—frameworks that served Western interests while presenting themselves as neutral analysis.

The "Reform" Narrative. Western coverage consistently framed Ukraine's challenges as requiring "reform"—anti-corruption measures, judicial independence, privatization, and market opening. This framing:

- **Presented Western conditionality as technical improvement rather than external imposition**
- **Located problems within Ukraine (corruption, inefficiency) rather than in external extraction**
- **Legitimized policies that served Western interests as Ukraine's path to European values**

The Geopolitical Frame. Western coverage framed the conflict primarily as Russia vs. the West, with Ukraine as terrain rather than agent. This framing:

- **Obscured Ukrainian agency and Ukrainian interests distinct from Western interests**
- **Presented Western involvement as support rather than influence**
- **Submerged questions about who would own post-war Ukraine within narratives of democratic solidarity**

The Anti-Corruption Discourse. "Anti-corruption" became the dominant frame for Ukrainian governance discussion. This discourse:

- **Targeted oligarchic extraction (genuinely problematic) while obscuring Western extraction (conditionality-imposed transfers)**
- **Enabled selective prosecution (targeting politicians who resisted Western preferences while protecting those who complied)**
- **Provided justification for external intervention in Ukrainian governance (corruption required external discipline)**

The anti-corruption discourse served genuine purposes—Ukrainian corruption was real and damaging—but it also served as mechanism for Western influence, legitimizing conditionality as reform rather than extraction.

VI. RESISTANCE SUPPRESSION: FROM MAIDAN TO MARTIAL LAW

A. The Maidan's Contradictions

The Maidan was simultaneously genuine popular movement and elite capture opportunity. Understanding how revolutionary momentum was channeled into elite-serving outcomes illuminates resistance suppression's sophisticated forms.

The Revolutionary Moment. The Maidan represented genuine popular mobilization—hundreds of thousands risking violence to demand change. The protesters' demands were authentic: European integration, dignity, accountability for corruption and violence. The courage displayed—facing riot police, snipers, and freezing temperatures—was real.

The Channeling Mechanisms. Revolutionary momentum was channeled through several mechanisms:

Leadership Capture. **Opposition political leaders—Yatsenyuk, Klitschko, Tyahnybok—became Maidan spokespeople, channeling demands through political structures they controlled. The leadership negotiated with Yanukovych, signed agreements, and managed the transition in ways that preserved elite positioning.**

Western Endorsement. **Western officials (U.S. Assistant Secretary of State Victoria Nuland, EU foreign ministers) engaged visibly with opposition leaders, providing legitimacy and implicitly selecting which opposition figures would be acceptable to Western partners. The famous Nuland-Pyatt phone call revealed Western preferences for post-revolution leadership.**

Institutional Continuity. **The revolution changed presidents but preserved institutional structures. The parliament that had supported Yanukovych declared him to have abandoned office; the same institutional actors continued in new configurations. Revolutionary discontinuity was contained within institutional continuity.**

The Excluded Alternatives. The Maidan's radical potential—demands for fundamental restructuring, worker control, wealth redistribution—was marginalized:

- **Labor demands (beyond wage payments) were subordinated to national unity**
- **Land reform (distributing oligarchic holdings) was not seriously pursued**
- **Alternative economic models (beyond IMF conditionality) were not developed**

The Maidan achieved regime change but not system change. The revolution's success was real but limited—limited to outcomes acceptable to the domestic oligarchy and to Western partners who would shape post-revolutionary policy.

B. Wartime Consolidation

The war context—first the Donbas conflict from 2014, then the full-scale invasion from 2022—provided justification for consolidating measures that restricted political space.

The Emergency Measures. Wartime governance has included:

Martial Law. **Declared after the 2022 invasion, martial law provides legal framework for restricting movement, assembly, and expression. These restrictions are justified by genuine security needs but also constrain political opposition.**

Opposition Bans. **Pro-Russian parties were banned following the 2022 invasion—a reasonable response to parties aligned with an invading power, but also a precedent for restricting political organization.**

Media Consolidation. **The "telethon" format consolidated news broadcasting into a single, government-coordinated channel. Independent media continued operating but with reduced reach. The consolidation served legitimate wartime communication needs while also reducing information pluralism.**

Labor Restrictions. **Wartime labor laws reduced worker protections, enabling dismissal without cause, extended working hours, and suspended collective bargaining rights. These measures were justified by wartime necessity but transferred power from labor to capital.**

The Oligarch Restructuring. The war has restructured oligarchic power:

Kolomoisky's Fall. **Ihor Kolomoisky, who had funded territorial defense in 2014 and supported Zelensky's 2019 campaign, was arrested in 2023 on fraud charges. His PrivatBank nationalization losses remained unpaid; his political protection had apparently ended.**

Akhmetov's Losses. **Rinat Akhmetov's Donbas industrial assets are largely in occupied territory—destroyed or Russian-controlled. His remaining assets have diminished; his political influence has reduced accordingly.**

Western-Aligned Survivors. **Oligarchs with Western business relationships and Western-acceptable political positions have fared better than those with Russian connections or anti-Western positioning.**

The wartime restructuring is not anti-oligarchic per se—it is a reshuffling that advantages some elite factions over others based on alignment with wartime requirements and Western preferences.

C. The Civil Society Constraints

Ukrainian civil society—NGOs, activist organizations, independent media—has operated under constraints that predate and transcend the current war.

The NGO Landscape. Ukrainian civil society grew substantially after the Maidan, with Western funding supporting anti-corruption organizations, media watchdogs, and reform advocacy groups. These organizations performed genuine accountability functions while also serving as conduits for Western influence:

- **Western-funded organizations promoted Western policy preferences**
- **Funding dependence created accountability to donors rather than Ukrainian publics**
- **Professional civil society displaced grassroots organizing that might have articulated alternative demands**

The Labor Movement's Weakness. Ukrainian labor organization remained weak throughout the post-Soviet period:

- **Soviet-era unions were discredited and captured by management**
- **Independent unions faced employer hostility and inadequate legal protection**
- **The economic desperation that drove labor migration undermined organizing capacity at home**

Weak labor organization meant that workers' interests were poorly represented in policy debates. The adjustment costs of IMF conditionality, privatization, and market opening fell on workers without organized resistance.

The Wartime Constraints. The full-scale invasion has further constrained civil society:

- **Security concerns limit public criticism of government policy**
- **National unity imperatives subordinate distributional demands**
- **Resources are absorbed by immediate humanitarian needs rather than systemic advocacy**

These constraints are partly genuine responses to genuine crisis. But they also serve to suppress resistance to extraction—whether oligarchic extraction or conditionality-imposed extraction—by channeling opposition into national defense while economic transformation continues.

The War's Multiple Dimensions

Understanding the Ukraine war requires holding multiple truths simultaneously:

The Russian Aggression. Russia's invasion is illegal aggression—a war of conquest violating international law, inflicting massive civilian casualties, and threatening European security. This reality is primary; nothing in the extraction framework analysis diminishes Russian responsibility for war crimes.

The Ukrainian Resistance. Ukrainian defense represents authentic popular resistance—millions of people defending their country, their homes, and their right to determine their future. This resistance deserves support, and the Ukrainian people deserve outcomes that serve their interests.

The Extraction Dimension. The war is also a competition between extraction systems—Russian state capitalism seeking territorial seizure, Western financial institutions seeking market access and reform conditionality. Ukrainians are fighting for their survival; they are also caught between extraction projects that may benefit foreign interests more than their own.

The Uncertain Future. The war's outcome remains uncertain. Multiple futures are possible: Russian victory that imposes occupation; Ukrainian victory that enables genuine self-determination; or settlement that divides Ukraine between extraction spheres. Which future emerges depends on military outcomes, but also on political choices about who will control post-war Ukraine.

Part 4 will examine the elite networks that have shaped Ukrainian politics, trace the long-term consequences of extraction across Ukraine's post-Soviet history, and consider what alternatives might serve Ukrainian interests in reconstruction and beyond.

Part 3 of 4 concludes here. Part 4 will continue with Section VII: Elite Network Coordination (mapping the relationships among Ukrainian oligarchs, Russian state capitalism, and Western institutions) and Section VIII: Long-Term Consequences (examining what the future may hold), followed by the comprehensive Bibliography.

Ukraine Study: The Borderland (1991–2024) — Part 4 of 4

From Soviet Industrial Giant to Contested Extraction Zone: Elite Capture, Energy Politics, and the War for Assets

Expanded Core Framework Series
December 2025

VII. ELITE NETWORK COORDINATION: THE TRIANGULAR EXTRACTION SYSTEM

A. The Ukrainian Oligarchic Network

The Ukrainian oligarchs were not isolated actors but an interconnected network whose members competed and cooperated in shifting combinations. Understanding this network reveals how extraction was coordinated and how political power was distributed among economic elites.

The Network Structure. Ukrainian oligarchs were connected through multiple mechanisms:

Business Relationships. **Oligarchic groups engaged in joint ventures, supply relationships, and competitive interactions that created interdependence. Akhmetov's steel mills purchased coal from Donbas mines controlled by various interests; Firtash's chemical plants supplied fertilizers to agricultural operations linked to other oligarchs; and banking relationships crossed oligarchic boundaries.**

Political Alliances. **Oligarchs formed shifting coalitions to influence political outcomes. The Party of Regions (Yanukovych's base) united Donetsk-based oligarchs with some Dnipropetrovsk interests; other coalitions formed around opposition parties. These alliances were instrumental rather than ideological—oligarchs supported politicians who served their interests and abandoned them when interests diverged.**

Family Connections. **Marriage and kinship linked oligarchic families. Viktor Pinchuk married the daughter of President Kuchma, cementing his political position. Other connections linked oligarchic families across regional and political lines, creating a**

semi-aristocratic structure in which wealth and power reproduced through family networks.

Professional Networks. **Lawyers, accountants, consultants, and fixers served multiple oligarchic clients, creating information flows and coordination opportunities. The legal firms that structured offshore holdings, the banks that processed transactions, and the political consultants who managed campaigns created connective tissue among formally separate oligarchic groups.**

The Regional Bases. Oligarchic power had geographic foundations:

The Donetsk Clan. **Akhmetov, Yanukovych, and associated figures drew power from the Donbas industrial complex. Their political vehicle (Party of Regions) mobilized eastern Ukrainian voters through appeals to Russian-speaking identity, Soviet nostalgia, and opposition to nationalist politics. The Donetsk clan's economic base was heavy industry—steel, coal, machinery—oriented toward Russian and global markets.**

The Dnipropetrovsk Networks. **Multiple oligarchic groups emerged from Dnipropetrovsk: Kolomoisky/Boholyubov (PrivatBank, Privat Group), Pinchuk (Interpipe), and earlier figures like Pavlo Lazarenko (prime minister 1996-1997, later imprisoned in the United States for money laundering). The Dnipropetrovsk base was more diversified—banking, manufacturing, media—and political alignments were more fluid than the Donetsk pattern.**

The Kyiv-Based Groups. **Some oligarchs were based in Kyiv without strong regional identity: Poroshenko (confectionery, media, shipbuilding), Medvedchuk (media, political fixing), and figures whose power derived from proximity to central government rather than regional economic control.**

The Balance of Power. Ukrainian politics reflected oligarchic balance rather than democratic competition. Presidents mediated among oligarchic factions, distributing access and protection in exchange for political support and personal enrichment. The presidency was broker position—too weak to dominate any major oligarch, strong enough to extract from all of them.

This balance produced political stability of a sort: no single faction could dominate, so all had interest in maintaining the system. But the balance was unstable—Yanukovych's attempt to concentrate power in the "Family" disrupted equilibrium, contributing to the Maidan crisis. The balance was also extractive—the equilibrium served oligarchic interests while ordinary Ukrainians bore its costs.

B. The Russian State Capitalism Network

Russian influence in Ukraine operated through networks connecting Russian state capitalism to Ukrainian politics and business. These networks were not merely

governmental but combined state power, state-owned enterprises, and nominally private interests aligned with Kremlin policy.

Gazprom as Instrument. Gazprom—Russia's state-controlled gas monopoly—was the primary instrument of Russian economic influence in Ukraine. Gazprom's tools included:

Supply Pricing. **Gazprom could adjust gas prices based on Ukrainian political behavior. Friendly governments received "friendship prices"; unfriendly governments received "market prices" or supply interruptions. The 2006 and 2009 gas crises demonstrated Gazprom's willingness to cut supply when political negotiations failed.**

Intermediary Relationships. **Through intermediaries like RosUkrEnergo, Gazprom channeled benefits to Ukrainian elites who maintained useful relationships. The intermediary profits that enriched Firtash also created alignment between Ukrainian businessmen and Russian state interests.**

Debt Leverage. **Accumulated gas debts—Ukraine routinely fell behind on payments—provided ongoing leverage. Russia could demand payment, forgive debt, or convert debt to other forms of influence depending on political circumstances.**

The Security Service Connections. Russian intelligence services maintained extensive networks in Ukraine—a legacy of Soviet-era integration when Ukrainian KGB was a branch of the Soviet organization. These networks provided:

Intelligence Collection. **Information about Ukrainian politics, military capabilities, and Western activities flowed to Russian services through agents, sources, and technical collection.**

Political Influence. **Figures like Viktor Medvedchuk maintained relationships with Russian leadership (Putin is godfather to Medvedchuk's daughter) that enabled political coordination outside official channels.**

Paramilitary Capacity. **The "volunteers" and "separatists" who appeared in Crimea and Donbas in 2014 were organized through networks that combined Russian military, intelligence, and organized crime connections.**

The Business Networks. Russian business interests in Ukraine extended beyond Gazprom:

Banking. **Russian-owned banks (Sberbank, VTB) operated Ukrainian subsidiaries until sanctions forced their exit. These banks provided Russian state access to Ukrainian financial data and economic leverage.**

Industry. **Russian companies held stakes in Ukrainian enterprises—metallurgy, chemicals, aviation. These stakes provided influence over Ukrainian industrial policy and potential leverage during disputes.**

Media. **Russian media was available throughout Ukraine (until restrictions were imposed after 2014), and Russian content influenced Ukrainian information environment. Russian-aligned Ukrainian media (Firtash's Inter) amplified messaging that served Russian interests.**

The Integration Project. Russia sought to integrate Ukraine into a Eurasian sphere through:

The Customs Union/Eurasian Economic Union. **Russia promoted customs integration that would link Ukrainian economy to Russia while excluding EU integration. The EU Association Agreement's rejection was supposed to precede customs union accession.**

The "Russian World" Ideology. **Cultural and civilizational framing portrayed Ukraine as naturally part of Russian sphere, with Western orientation representing betrayal of authentic identity.**

The Security Dimension. **Russian opposition to NATO expansion reflected genuine security concerns (from Russian perspective) and desire to maintain Ukraine as buffer zone excluding Western military presence.**

The Russian network operated through combination of economic leverage, intelligence penetration, cultural affinity, and political relationships. The network's goal was maintaining Ukrainian alignment with Russian interests—or, failing that, destabilizing Ukraine enough to prevent Western integration.

C. The Western Institutional Network

Western influence in Ukraine operated through institutional networks—the IMF, World Bank, European Union, and associated governmental and non-governmental organizations—that promoted market integration, reform conditionality, and alignment with Western interests.

The IMF/World Bank Network. The international financial institutions provided Ukraine with emergency financing while imposing conditions that served creditor interests:

The Lending Relationship. **IMF programs provided billions in financing that Ukraine needed for balance of payments support, budget financing, and currency stabilization. The financing was real and necessary; without it, Ukraine would have faced default and economic collapse.**

The Conditionality Mechanism. **Financing came with conditions—fiscal adjustment, market pricing, structural reform—that shaped Ukrainian economic policy. IMF missions reviewed compliance; disbursements were contingent on meeting targets; and Ukrainian governments negotiated terms that reflected both parties' interests but from vastly unequal bargaining positions.**

The Technical Assistance. **Beyond financing, IFIs provided technical assistance that shaped Ukrainian institutions. Central bank policies, tax administration, regulatory frameworks—all were influenced by IFI expertise that reflected particular economic ideologies presented as technical necessity.**

The EU Integration Network. The European Union's integration project operated through:

The Association Agreement. **The DCFTA provided market access while requiring regulatory harmonization that extended EU standards into Ukraine without extending EU membership.**

The Visa Liberalization. **Visa-free travel (achieved 2017) provided Ukrainians with mobility benefits—the most tangible integration benefit—while also facilitating labor migration that served European labor market needs.**

The Political Conditionality. **EU engagement included political conditions—democratic governance, rule of law, anti-corruption—that provided leverage over Ukrainian domestic politics.**

The NGO/Civil Society Network. Western governments funded civil society organizations that promoted reform agendas:

Anti-Corruption Organizations. **The National Anti-Corruption Bureau (NABU), established with Western support, investigated corruption cases. NABU's establishment was IMF conditionality requirement; its operations targeted figures whose prosecution served Western preferences.**

Media Organizations. **Western-funded media (Hromadske TV, others) provided alternatives to oligarch-owned channels while reflecting Western perspectives on Ukrainian politics.**

Think Tanks and Advocacy Groups. **Organizations like the Anti-Corruption Action Center promoted policy positions aligned with Western conditionality requirements.**

The Security Network. NATO and bilateral security relationships operated through:

Training and Equipment. **Western military assistance—accelerating after 2014 and becoming massive after 2022—built Ukrainian military capacity while creating dependence on Western supply chains.**

Intelligence Sharing. **Western intelligence support has been crucial to Ukrainian military success, creating information relationships that extend into political sphere.**

The Membership Question. **NATO membership remains aspirational; actual membership has been deferred. The aspiration provides incentive for Ukrainian alignment with Western preferences; the deferral maintains Western leverage.**

D. The Triangular Dynamic

The three networks—Ukrainian oligarchy, Russian state capitalism, and Western institutions—interacted in complex ways:

The Pre-2014 Balance. Before 2014, Ukrainian elites balanced between Russian and Western networks:

- **Oligarchs with Russian business relationships (Firtash, Akhmetov's Russian markets) favored Russian alignment**
- **Oligarchs with Western business relationships (Pinchuk's European ventures, Poroshenko's aspirations) favored Western alignment**
- **Most oligarchs maintained relationships with both, preserving flexibility**

This balance enabled oligarchic autonomy. By playing Russia against the West, Ukrainian elites extracted concessions from both—Russian energy subsidies, Western financing and market access—while avoiding subordination to either.

The 2014 Rupture. The Maidan and Russian intervention destroyed the balance:

- **Russia seized territory, demonstrating that Ukrainian balancing had limits**
- **Western institutions imposed conditionality that constrained oligarchic extraction**
- **The gray zone of profitable ambiguity collapsed into binary choice**

Post-2014 Ukraine could not maintain equidistance. The Russian intervention made neutrality impossible; Western conditionality required alignment that previous governments had avoided.

The Current Configuration. The 2022 invasion has further restructured the triangular dynamic:

Russian Exclusion. **Russian economic relationships have been severed by war and sanctions. Oligarchs with Russian business connections have lost those assets; Russian influence operates through military occupation rather than economic networks.**

Western Dominance. **Western institutions have unprecedented influence over Ukrainian policy. War financing, military equipment, and reconstruction planning all depend on Western support that comes with Western conditions.**

Oligarchic Adaptation. **Ukrainian oligarchs are adapting to the new configuration—those with Western relationships are advantaged; those with Russian relationships are compromised; and all face uncertainty about post-war arrangements.**

The triangular system has collapsed into Western dominance by default. Russia's extraction attempt through invasion has failed (or partially failed); Western extraction through conditionality now operates with minimal competition. The question is whether

Ukrainian interests can be advanced within this configuration or whether Western dominance merely replaces oligarchic extraction with a different form.

E. The Network Coordination Mechanisms

Despite competition, the three networks demonstrated coordination mechanisms:

Elite Socialization. Ukrainian oligarchs, Russian officials, and Western institution representatives encountered each other in venues where elite socialization occurred:

The Davos Circuit. **World Economic Forum meetings and similar gatherings brought together Ukrainian oligarchs (Pinchuk was a prominent Davos participant), Russian officials, and Western financial figures. These venues created relationships that transcended formal positions.**

The Offshore Nexus. **London, Cyprus, and other offshore centers hosted Ukrainian oligarchic wealth, Russian capital flight, and Western financial institutions. The professional networks serving all three created connective tissue among formally competing interests.**

The Energy Conferences. **International energy conferences brought together Gazprom officials, European energy companies, and Ukrainian counterparts in settings where business was discussed and relationships maintained.**

The Professional Intermediaries. Lawyers, bankers, and consultants served multiple networks:

The Law Firms. **International law firms with offices in London, New York, and Kyiv served Ukrainian oligarchs, Russian state enterprises, and Western corporations. Their expertise in structuring transactions, managing disputes, and navigating regulations created information flows across network boundaries.**

The Banks. **International banks processed transactions for all three networks. The correspondent banking relationships that moved money, the trade finance that enabled commerce, and the capital markets that raised funds—all connected networks that appeared separate.**

The Consultants. **Political consultants, public relations firms, and strategic advisors served clients across networks. The expertise that managed oligarchic reputations in the West was available to Russian interests; the messaging that promoted Western preferences was developed by professionals who understood all sides.**

The Implicit Coordination. The three networks did not require explicit coordination to produce coordinated outcomes:

- **Each network extracted from Ukraine through its own mechanisms**

- **Competitive dynamics among networks provided some constraints on extraction**
- **But all three networks had shared interest in maintaining extractive capacity**

The triangular system was not zero-sum. Russian gas sales profited Gazprom while creating intermediary opportunities for Ukrainian oligarchs and supplying European consumers. Western financing stabilized Ukraine (preserving Russian gas transit revenue) while imposing conditions that oligarchs could accommodate. Coordination emerged from shared interests in maintaining extraction, even as networks competed for extraction's benefits.

VIII. LONG-TERM CONSEQUENCES: FUTURES FOR UKRAINE

A. The War's Ongoing Impact

The war continues as this study is written, making assessment of long-term consequences necessarily speculative. But the war's trajectory has already produced consequences that will shape Ukraine for generations.

The Human Cost. The war's human cost defies adequate characterization:

Deaths. **Tens of thousands of soldiers and civilians have been killed—exact figures remain uncertain and contested. Each death represents destroyed lives, shattered families, and communities diminished.**

Displacement. **Approximately 6-8 million Ukrainians have fled the country as refugees; additional millions are internally displaced. This displacement has disrupted communities, separated families, and created demographic consequences that will persist for decades.**

Trauma. **The psychological impact of war—violence, loss, displacement, uncertainty—affects millions. The trauma will shape Ukrainian society for generations beyond the war's formal conclusion.**

The Physical Destruction. Ukrainian infrastructure has suffered catastrophic damage:

Energy Infrastructure. **Russian targeting has destroyed or damaged approximately 50% of Ukrainian power generation capacity. The attacks on the energy grid—particularly during winter—represent deliberate infliction of suffering on civilian populations.**

Housing. **Hundreds of thousands of housing units have been destroyed or damaged. Entire cities (Mariupol, Bakhmut, others) have been substantially destroyed.**

Industrial Capacity. **The Donbas industrial complex—already damaged by eight years of conflict—has suffered further destruction. Industrial facilities throughout Ukraine have been targeted.**

Agricultural Disruption. **Mining of agricultural land, destruction of storage facilities, and disruption of export routes have damaged agricultural production despite Ukraine's extraordinary soil resources.**

The Economic Collapse. The war has devastated Ukrainian economy:

GDP Decline. **Economic output fell approximately 29% in 2022—one of the largest single-year declines any country has experienced.**

Labor Force Depletion. **Military mobilization, displacement, and labor migration have reduced the available workforce. The demographic impact—young people killed in combat, emigration of working-age population—will constrain economic recovery for decades.**

Investment Destruction. **Foreign and domestic investment has been deterred by ongoing conflict, security uncertainty, and destruction of productive assets.**

B. The Post-War Ownership Question

The critical question for Ukraine's future is ownership: Who will own post-war Ukraine? Several possibilities exist:

Russian Occupation. If Russia maintains control of occupied territories—currently approximately 20% of Ukraine—those territories' assets become Russian-controlled. This includes:

- **Donbas industrial remnants**
- **Zaporizhzhia nuclear plant**
- **Agricultural land in occupied regions**
- **Black Sea/Azov Sea access through Crimea and southern oblasts**

Russian occupation would represent permanent asset seizure—the conversion of Ukrainian resources to Russian control through military force.

Western Acquisition. If Ukraine integrates into Western economic structures on terms Western institutions prefer, significant asset transfer may occur:

Agricultural Land. **The 2020 land market reform (an IMF conditionality requirement) ended the moratorium on agricultural land sales. The reform initially restricted sales to Ukrainian citizens, but provisions for foreign corporate ownership could enable Western agricultural investment that acquires Ukrainian farmland.**

Infrastructure Privatization. **Reconstruction conditionality may require privatization of remaining state assets. Energy distribution, transportation infrastructure, and public services could be transferred to private (potentially foreign) ownership.**

Industrial Assets. **Surviving industrial capacity could be acquired by Western corporations through privatization, bankruptcy proceedings, or market transactions enabled by market-opening conditionality.**

Financial Sector. **Banking sector restructuring following PrivatBank nationalization and wartime consolidation could result in foreign bank dominance.**

Oligarchic Persistence. Despite war and reform rhetoric, Ukrainian oligarchs retain substantial assets. Post-war reconstruction could enable oligarchic repositioning:

Reconstruction Contracts. **Oligarchs with remaining construction, materials, or logistics capacity could capture reconstruction spending.**

Regulatory Capture. **Despite anti-corruption discourse, oligarchic influence over regulatory processes could persist or reconstitute.**

Political Influence. **Oligarchs retain media assets, political relationships, and financial resources that could translate into post-war political influence.**

Genuine Reconstruction. An alternative exists—reconstruction that serves Ukrainian interests:

Public Ownership. **Critical infrastructure could be rebuilt under public ownership, with revenues benefiting Ukrainian citizens rather than private shareholders.**

Land Protection. **Agricultural land could be protected from foreign acquisition, with domestic ownership requirements maintaining Ukrainian control of extraordinary soil resources.**

Worker-Oriented Recovery. **Reconstruction could prioritize employment, wages, and labor rights rather than investor returns and market flexibility.**

Debt Restructuring. **External debt accumulated during the war could be restructured or cancelled rather than serviced through austerity that impoverishes Ukrainian citizens.**

This alternative requires political mobilization that wartime conditions constrain, international solidarity that extends beyond military support, and Ukrainian government choices that prioritize citizens over creditors. Whether such mobilization, solidarity, and choices will materialize remains uncertain.

C. The Geopolitical Configuration

Ukraine's future depends on geopolitical outcomes that remain contested:

The NATO Question. NATO membership—repeatedly promised in principle but never implemented—would provide security guarantees that could enable reconstruction and deter future Russian aggression. But membership may remain deferred:

- **European members may hesitate to extend Article 5 commitments to territories Russia contests**
- **The United States may prefer bilateral arrangements to formal alliance commitments**
- **Membership conditionality (reform requirements, territorial clarity) may create obstacles**

If NATO membership remains aspirational rather than actual, Ukraine faces perpetual security uncertainty that deters investment, sustains emigration, and constrains recovery.

The EU Question. EU membership—candidate status was granted in 2022—would provide market access, legal integration, and eventual freedom of movement. But accession may take decades:

- **The acquis communautaire (EU law that candidates must adopt) is vast and adoption takes years**
- **Some EU members (Hungary, others) may obstruct enlargement**
- **EU institutional capacity to absorb large, poor new members is uncertain**

If EU membership remains distant, Ukraine faces prolonged vulnerability to conditionality without the benefits membership would provide.

The Russian Question. Russia's future posture toward Ukraine will shape Ukrainian options:

- **If Russian military capability degrades, security pressure on Ukraine may reduce**
- **If Russian regime change occurs, new relationships might become possible**
- **If Russian threat persists, Ukraine remains militarized, constrained, and vulnerable**

The Russian question is outside Ukrainian control but central to Ukrainian future.

D. The Demographic Future

Ukraine faces demographic challenges that predate the war but have been catastrophically accelerated:

Population Decline. Ukraine's population has declined from approximately 52 million at independence to approximately 37 million before the 2022 invasion (excluding Crimea).

War-related displacement may have reduced the resident population to 30 million or below. This decline reflects:

- **Low birth rates common to post-Soviet societies**
- **Emigration driven by economic conditions**
- **War-related deaths and displacement**

Brain Drain. Emigration has been selective, with younger, more educated Ukrainians more likely to leave. The "brain drain" depletes human capital needed for economic development and reconstruction.

Aging Population. Declining birth rates and youth emigration produce population aging. Pension system sustainability becomes increasingly difficult as worker-to-retiree ratios decline.

The Demographic Trap. These demographic trends create potential trap:

- **Economic conditions drive emigration**
- **Emigration depletes workforce**
- **Depleted workforce constrains economic development**
- **Constrained development perpetuates conditions driving emigration**

Breaking this cycle requires economic transformation that provides opportunities sufficient to retain population—transformation that current trajectories may not deliver.

CONCLUSION: EXTRACTION AND ALTERNATIVES

The Ukrainian case demonstrates extraction's operation in contemporary conditions—how the mechanisms traced through centuries of colonial and post-colonial experience continue operating in twenty-first century Europe.

The Pattern Confirmed

Ukraine confirms the eight-part pattern that appears throughout this framework:

Foundation Conditions. The Soviet industrial legacy, pipeline geography, and post-independence chaos created opportunities for elite capture that oligarchs exploited.

Narrative Construction. Competing narratives—Ukrainian nationalism, European aspiration, Slavic brotherhood—legitimized different extraction projects while obscuring extraction's common features.

Legal Frameworks. Privatization law, gas intermediary structures, and IMF conditionality created mechanisms through which extraction operated with legal form.

Wealth Extraction. Value flowed from Ukrainian workers and resources to oligarchs through transfer pricing and state capture, to Russian interests through energy arbitrage, and to Western interests through debt service and market opening.

Information Control. Oligarch-owned media, Russian information warfare, and Western "reform" discourse shaped understanding in ways that served extracting interests.

Resistance Suppression. The Maidan's capture, wartime consolidation, and civil society constraints limited challenges to extraction regardless of which extraction system dominated.

Elite Coordination. The triangular network of Ukrainian oligarchs, Russian state capitalism, and Western institutions demonstrated coordination mechanisms that served shared extractive interests even amid competition.

Long-Term Consequences. Extraction has produced impoverishment, displacement, and vulnerability that shape Ukrainian futures—futures in which extraction may continue under different management.

The War's Meaning

The war's meaning within this framework is not singular:

The War as Russian Extraction. Russia's invasion is an extraction attempt—seizing through military force assets that political mechanisms could not secure. The war's geography follows asset distribution; the war's logic is asset capture.

The War as Ukrainian Resistance. Ukrainian resistance represents refusal of Russian extraction—defense of sovereignty, territory, and self-determination against imperial seizure. This resistance deserves support.

The War as Competitive Extraction. The war is also competition between extraction systems. Russia's defeat does not automatically benefit Ukrainians; it may merely determine that Western extraction rather than Russian extraction predominates.

Holding these dimensions together is essential. Supporting Ukrainian resistance against Russian aggression does not require ignoring the extraction dimensions of Western involvement. Analyzing Western conditionality does not equate Western institutions with Russian military invasion. The analysis is not "both sides"—Russian aggression is criminal and Ukrainian resistance is legitimate—but it insists that legitimate resistance can be exploited by interests that do not share resisters' goals.

The Alternatives

Alternatives to extraction exist—possibilities for Ukrainian reconstruction that would serve Ukrainian interests:

Debt Justice. Ukraine's external debt—accumulated through IMF programs, war financing, and other mechanisms—could be restructured, reduced, or cancelled rather than serviced through austerity. International debt relief campaigns have achieved such outcomes for other countries; similar campaigns for Ukraine could reduce extraction through debt service.

Land Protection. Agricultural land—Ukraine's extraordinary chernozem resource—could be protected through ownership restrictions that prevent foreign acquisition and maintain Ukrainian control. The 2020 land market reform could be modified to permanently restrict foreign ownership and limit domestic concentration.

Public Reconstruction. Infrastructure could be rebuilt under public ownership rather than privatized to foreign investors. Energy, transportation, and essential services could be publicly controlled with revenues benefiting Ukrainian citizens.

Labor Empowerment. Wartime labor restrictions could be reversed; labor organizing could be supported; and reconstruction could prioritize employment at living wages over investor returns.

Genuine Sovereignty. Ukraine could assert sovereignty against both Russian aggression and Western conditionality—accepting military support while rejecting economic conditions that transfer control to foreign institutions.

These alternatives require political mobilization—Ukrainian citizens organizing to demand reconstruction serving their interests. They require international solidarity—movements in Western countries demanding that their governments support Ukrainian self-determination rather than Ukrainian market opening. And they require clarity about what is at stake—understanding that defeating Russian aggression is necessary but not sufficient for Ukrainian freedom.

The Framework's Contribution

This framework does not prescribe political positions or predict outcomes. Its contribution is analytical: identifying the mechanisms through which elite power operates, the networks through which extraction is coordinated, and the patterns that appear across vastly different contexts.

Understanding Ukraine through this framework reveals:

- **The Maidan was genuine popular movement and elite capture opportunity simultaneously**
- **IMF conditionality serves creditor interests while presenting itself as technical necessity**

- **Russian aggression is criminal extraction attempt, not defensive response to Western provocation**
- **Western support for Ukraine combines genuine solidarity with extraction opportunity**
- **Ukrainian futures depend on which extraction system predominates—or whether extraction can be transcended**

The Ukrainian people deserve more than a choice between extraction regimes. They have demonstrated extraordinary courage defending their country; they deserve outcomes that serve their interests, not merely the interests of those who finance their defense or seek their resources.

Whether they will receive such outcomes depends on choices yet to be made—by Ukrainians, by their supporters, and by all who believe that human welfare should take precedence over asset capture.

The war continues. The extraction continues. The struggle continues.

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